

# School Jurisdictions



3

Section 3

New Horizons Charter School Society  
to Wolf Creek School Division No. 72

**we** envision

**we** engage

## Audited Financial Statements

For the Year Ended August 31, 2007

A printed copy of the audited financial statements of school jurisdictions (in three volumes) is available for reference at the following Alberta depository libraries:

- Alberta Government Library - Capital Boulevard Site
- Alberta Legislature Library
- Calgary Public Library
- Edmonton Public Library
- University of Alberta Library
- University of Calgary Library
- University of Lethbridge Library

These audited financial statements are available on the Internet  
<http://www.education.gov.ab.ca/funding/afs/>

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# School Jurisdictions Audited Financial Statements

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Section 2 of this report is published under separate cover. It provides the audited financial statements for the year ended August 31, 2007 submitted by school jurisdictions whose legal name begins with the letters F through M inclusive.

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New Horizons Charter School Society  
to Wolf Creek School Division No. 72

For the Year ended August 31, 2007

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**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**NEW HORIZONS CHARTER SCHOOL SOCIETY**

Legal Name of School Jurisdiction

**3 Spruce Avenue, Sherwood Park, AB T8A 2B6**

Mailing Address

**(780) 467-6409 and (780) 417-1786**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of NEW HORIZONS CHARTER SCHOOL SOCIETY  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Kevin Dodds

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Jim Rigby

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

G. (Fred) de Kleine

Name

"ORIGINAL SIGNED"

Signature

**21-Nov-07**

Board-approved Release Date

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**AUDITOR'S REPORT**

To the Board of Directors of  
**NEW HORIZONS CHARTER SCHOOL SOCIETY,**

I have audited the statement of financial position of the New Horizons Charter School Society as at August 31, 2007, and the statement of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material aspects, the financial position of the Society as at August 31, 2007 and the results of its operations, changes in cash flows and net assets for the year then ended, in accordance with Canadian generally accepted accounting principles.

Sherwood Park, Alberta  
November 7, 2007



Chartered Accountant

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$486,824	\$350,431
Accounts receivable (net after allowances)	\$35,752	\$32,810
Prepaid expenses	\$12,385	\$18,050
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$514,971</b>	<b>\$399,691</b>
School generated assets	\$9,648	\$7,277
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$0	
Less: accumulated amortization	\$0	\$0
Equipment	\$0	
Less: accumulated amortization	\$0	\$0
Vehicles	\$0	
Less: accumulated amortization	\$0	\$0
<b>Total capital assets</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$524,619</b>	<b>\$406,968</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$24,605	\$33,680
Deferred revenue	\$2,131	\$700
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
<b>Total current liabilities</b>	<b>\$26,736</b>	<b>\$34,380</b>
School generated liabilities	\$9,648	\$7,277
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$0	\$0
<b>Total long term liabilities</b>	<b>\$9,648</b>	<b>\$7,277</b>
<b>TOTAL LIABILITIES</b>	<b>\$36,384</b>	<b>\$41,657</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$291,430	\$229,230
Operating Reserves	\$105,306	\$49,048
Accumulated Operating Surplus (Deficit)	\$396,736	\$278,278
Investment in capital assets	\$0	\$0
Capital Reserves	\$91,499	\$87,053
<b>Total Capital Funds</b>	<b>\$91,499</b>	<b>\$87,053</b>
<b>Total net assets</b>	<b>\$488,235</b>	<b>\$365,331</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$524,619</b>	<b>\$406,968</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



# STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note) Adjusted	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$1,422,079	\$1,426,006	\$1,318,756
Federal Government and/or First Nations	\$775	\$743	\$743
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary regulations)	\$75	\$0	\$0
Instruction resource fees	\$17,890	\$16,110	\$18,033
Transportation fees	\$0	\$0	\$0
Other sales and services	\$12,881	\$11,980	\$11,489
Investment income	\$11,912	\$7,400	\$10,212
Gifts and donations	\$245	\$0	\$0
Rentals of facilities	\$6,155	\$5,778	\$6,198
Net school generated funds	\$15,070	\$7,300	\$24,137
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$1,487,083</b>	<b>\$1,475,317</b>	<b>\$1,389,568</b>
<b>EXPENSES</b>			
Certificated salaries	\$679,925	\$679,674	\$590,698
Certificated benefits	\$71,344	\$62,545	\$56,976
Non-certificated salaries and wages	\$94,400	\$122,599	\$95,995
Non-certificated benefits	\$8,480	\$21,046	\$8,729
Services, contracts and supplies	\$494,012	\$534,256	\$503,193
Net school generated funds	\$15,070	\$7,250	\$24,137
Capital and debt services			
Amortization of capital assets			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Amortization of capital assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other interest charges	\$948	\$0	\$954
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$1,364,179</b>	<b>\$1,427,370</b>	<b>\$1,280,682</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$122,904</b>	<b>\$47,947</b>	<b>\$108,886</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$122,904</b>	<b>\$47,947</b>	<b>\$108,886</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$122,904	\$108,886
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	\$0	\$0
Total amortization expense	\$0	\$0
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$3,142)	\$37,278
Prepays and other current assets	\$4,255	\$585
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$9,055)	(\$1,842)
Deferred revenue	\$1,431	(\$61,041)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$116,393</b>	<b>\$83,866</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>\$0</b>	<b>\$0</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Net sources (uses) of cash during year</b>	<b>\$116,393</b>	<b>\$83,866</b>
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$350,431	\$266,565
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$466,824	\$350,431

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$365,331	\$0	\$229,230	\$49,048	\$87,053
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$365,331	\$0	\$229,230	\$49,048	\$87,053
Excess(def) of revenue over expenses	\$122,904		\$122,904		
Board funded capital transactions		\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		\$0	\$0		
Amortization of capital allocations		\$0	\$0		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$56,258)	\$56,258	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$4,446)		\$4,446
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$488,235	\$0	\$291,430	\$105,306	\$91,499

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$0	\$0
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$0	\$0
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	\$0	\$0
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$0
Balance at August 31, 2007	\$0	\$0

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

# **NEW HORIZONS CHARTER SCHOOL SOCIETY**

## **NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007**

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### **1. Purpose of the Society**

The Society delivers education programs under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta, 2000. The society is registered under the Societies Act.

The Society receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Society is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

### **2. Significant Accounting Policy**

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### **A. Revenue Recognition**

Instruction and support funding allocations are recognized as revenue in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

#### **B. Capital Assets**

Only capital assets with costs in excess of \$5,000 are capitalized in the current year. Any capital allocations received for asset additions are amortized over the same period as the related asset.

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***J. P. Vleeming Professional Corporation***

*Chartered Accountant*

# **NEW HORIZONS CHARTER SCHOOL SOCIETY**

## **NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007**

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### **2. Significant Accounting Policy (Continued)**

#### **C. School Generated Funds**

These are funds in the community, which come under the control and the responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level ( e.g. yearbook sales, graduation fees, field trip fees etc.) The unused funds are deferred to the subsequent year in accordance with the Task Force Report on School Board Reporting in Alberta.

#### **D. Contributed Services**

Volunteers contribute a considerable number of hours per year to the Society to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

#### **E. Pensions**

Pension cost included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Society does not make pension contributions for certified staff.

#### **F. Operating and Capital Reserves**

Reserves are established at the discretion of the Board of Directors of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

#### **G. Financial Instruments**

These consist of cash, short-term investments, accounts and grants receivable and accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

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***J. P. Vleeming Professional Corporation***

*Chartered Accountant*

**NEW HORIZONS CHARTER SCHOOL SOCIETY****NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2007****3. Short-term Investments**

	<b>2007</b>	<b>2006</b>
Guaranteed Investment Certificate #7	<b>\$298,097</b>	\$0
Bank of Montreal Guaranteed Investment Certificate	<b>85,753</b>	0
Province of British Columbia Bond	<b>0</b>	84,076
Guaranteed Investment Certificate #4	<b>0</b>	153,600
Guaranteed Investment Certificate #6	<b>0</b>	35,794
	<b>\$383,850</b>	<b>\$273,470</b>

Guaranteed Investment Certificate #7 earns interest at a rate of prime minus 2.25% per annum and matures on August 1, 2008.

Bank of Montreal Guaranteed Investment Certificate earns interest at a rate of 4.15% per annum and matures on November 20, 2008.

**4. Accounts and Grants Receivable**

	<b>2007</b>	<b>2006</b>
Alberta Education	<b>\$26,584</b>	\$17,091
Goods and Services Tax	<b>5,307</b>	11,921
Interest Receivable	<b>3,782</b>	3,597
Other	<b>79</b>	0
	<b>\$35,752</b>	<b>\$32,609</b>

**5. Accounts Payable and Accrued Liabilities**

	<b>2007</b>	<b>2006</b>
Trade Payables	<b>\$19,605</b>	\$32,142
Health Spending Account	<b>5,000</b>	1,518
	<b>\$24,605</b>	<b>\$33,660</b>

***J. P. Vleeming Professional Corporation***

*Chartered Accountant*



# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

### 6. Deferred Revenue

	2007	2006
Alberta Education - Alberta Initiative for School Improvement	\$1,756	\$0
Resource Fees	375	700
	<u>\$2,131</u>	<u>\$700</u>

### 7. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Directors for future operating and capital expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	2007	2006
Operating Reserves		
Plant, Operations and Maintenance	\$55,653	\$0
Maternity Leave	40,000	40,000
Transportation	9,653	9,048
	<u>\$105,306</u>	<u>\$49,048</u>
Capital Reserve		
Building - Unsupported	<u>\$91,499</u>	<u>\$87,052</u>

### 8. Operating Lease Commitment

The Society has leased a photocopier. The photocopier is leased at \$1,502 per quarter, expires in August, 2010, with the final payment due on May 22, 2010. The future minimum annual payments as of August 31, 2007 under the operating lease are:

2008	\$6,008
2009	\$6,008
2010	<u>\$4,506</u>
	<u>\$16,522</u>

**J. P. Vleeming Professional Corporation**

Chartered Accountant



# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

### 9. Net School Generated Assets

	2007	2006
Balance, Beginning of Year	\$7,277	\$6,596
Plus: Sources of School Generated Funds	17,441	24,818
	<u>24,718</u>	<u>31,414</u>
Less: Application of School Generated Funds	15,070	24,137
Balance, End of Year	<u>\$9,648</u>	<u>\$7,277</u>

### 10. Economic Dependence on Related Third Party

The Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependant on this funding.

### 11. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	2007	2006
<b>Accounts Receivable</b>		
Government of Alberta - Alberta Education	<u>\$26,584</u>	<u>\$17,091</u>
<b>Revenue</b>		
Government of Alberta - Alberta Education	\$1,419,796	\$1,277,062
Government of Alberta - Other	<u>2,283</u>	<u>4,229</u>
	<u>\$1,422,079</u>	<u>\$1,281,291</u>

***J. P. Vleeming Professional Corporation***

*Chartered Accountant*

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2007

### 12. Remuneration and Monetary Incentives

The Society has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits	Expenses
Board Members:	0.0	\$0	\$0	\$0
Chair	0.0	0	0	0
Vice Chair	0.0	0	0	0
Secretary	0.0	0	0	0
Board Member (1)	0.0	0	0	0
Board Member (2)	0.0	0	0	0
Subtotal	0.0	0	0	0
Superintendent	0.4	36,512	0	2,827
Secretary/Treasurer	0.3	33,619	0	2,257
Certificated Teachers	11.2	679,925	71,344	0
Non-certificated - Other	3.8	94,400	8,480	0
Total		\$844,456	\$79,824	\$5,084

### 13. Budgeted Amounts

The budget was prepared by the Society's management, and approved by the Board of Directors on June 7, 2006. It is presented for information purposes only and has not been audited.

### 14. Comparative Figures

The actual 2006 comparative figures have been reclassified where necessary to conform to actual 2007 presentation.

***J. P. Vleeming Professional Corporation***

*Chartered Accountant*

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**NEW HORIZONS CHARTER SCHOOL SOCIETY**

Legal Name of School Jurisdiction

**3 SPRUCE AVENUE, SHERWOOD PARK, AB T8A 2B6**

Mailing Address

**(780) 467-6409 AND (780) 417-1786**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**G. (Fred) de Kleine**

Name

**"ORIGINAL SIGNED"**

Signature

**21-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 6015

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$1,419,796	\$1,052,702	\$277,080	\$9,196	\$80,818	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$0		\$0			
(4) Other - Government of Alberta	\$2,283	\$0	\$2,283	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$775	\$775	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$76	\$76	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$17,890	\$17,890				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$12,881	\$12,881	\$0	\$0	\$0	\$0
(12) Investment income	\$11,912	\$7,465	\$4,447	\$0	\$0	\$0
(13) Gifts and donations	\$245	\$245	\$0	\$0		\$0
(14) Rentals of facilities	\$6,155	\$6,155	\$0	\$0		\$0
(15) Net school generated funds	\$15,070	\$15,070			\$0	\$0
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$1,487,083	\$1,113,258	\$283,810	\$9,196	\$80,818	\$0
<b>EXPENSES</b>						
(19) Certificated salaries	\$679,925	\$679,925			\$0	\$0
(20) Certificated benefits	\$71,344	\$71,344			\$0	\$0
(21) Non-certificated salaries and wages	\$94,400	\$94,400	\$0	\$0	\$0	\$0
(22) Non-certificated benefits	\$8,480	\$8,480	\$0	\$0	\$0	\$0
(23) SUB - TOTAL	\$854,149	\$854,149	\$0	\$0	\$0	\$0
(24) Services, contracts & supplies	\$494,013	\$105,309	\$272,027	\$8,591	\$108,086	\$0
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$15,070	\$15,070				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(28) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(29) Total Amortization	\$0	\$0	\$0	\$0	\$0	\$0
Interest on capital debt						
(30) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$946	\$0	\$0	\$0	\$946	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$1,364,178	\$974,528	\$272,027	\$8,591	\$108,032	\$0
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$122,905	\$138,731	\$11,783	\$805	(\$28,214)	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$594,179
Additional Funding for Differential Cost Factors	\$443,962
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$83,114
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISi)	\$17,828
SuperNet Services	\$0
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$713
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (describe)	\$0
Total Alberta Education Revenues	\$1,418,788

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction					
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses
School Administration & Instruction Support	\$93,301	\$38,098	\$9,008		\$0	\$0
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$0	\$0	\$0		\$0	\$0
ECS Program Unit (PUF)	\$0	\$0	\$0		\$0	\$0
Severe Disabilities (Gr 1-12)	\$0	\$40,861	\$0		\$0	\$0
English as a Second Language (ESL)	\$0	\$0	\$0		\$0	\$0
French Language & Francisation	\$40,345	\$0	\$1,151		\$0	\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0	\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0	\$0
Alberta Initiative for School Improvement	\$11,010	\$0	\$6,818	\$0	\$0	\$0
Student Health Initiative	\$0	\$0	\$0		\$0	\$0
SuperNet Service			\$0		\$0	\$0
Class Size Initiative	\$84,524	\$0	\$0	\$0	\$0	\$0
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0	\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$542,090	\$23,021	\$73,144	\$15,187	\$0	\$15,070
TOTAL EXPENSES	\$751,270	\$102,880	\$90,121	\$15,187	\$0	\$15,070

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	1.5

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$1,384,178</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>6.00%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$81,851</b>
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$58,366	<b>\$58,366</b>	<b>\$81,851</b>
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	<b>0</b>	
	<b>\$0</b>	<b>\$0</b>
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$81,851</b>
Less: 2006/2007 Board and System Administration expenses		<b>-\$109,032</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>-\$27,181</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$7,277</b>																		
<b>Sources of School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Gross SGF</th> <th style="width: 40%;">Related Expenses</th> <th style="width: 20%;">Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td style="text-align: right;">\$8,170</td> <td style="text-align: right;">\$6,288</td> </tr> <tr> <td>Student fees (Non-instructional) (Note 1)</td> <td style="text-align: right;">\$9,271</td> <td style="text-align: right;">\$8,782</td> </tr> <tr> <td>Donations and grants to schools</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td style="text-align: right;"><b>\$17,441</b></td> <td style="text-align: right;"><b>\$15,070</b></td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$8,170	\$6,288	Student fees (Non-instructional) (Note 1)	\$9,271	\$8,782	Donations and grants to schools	\$0	\$0	Other (describe):	\$0	\$0	<b>Net Additions to SGF</b>	<b>\$17,441</b>	<b>\$15,070</b>	<b>\$2,371</b>
Gross SGF	Related Expenses	Net SGF																		
Fundraising activities	\$8,170	\$6,288																		
Student fees (Non-instructional) (Note 1)	\$9,271	\$8,782																		
Donations and grants to schools	\$0	\$0																		
Other (describe):	\$0	\$0																		
<b>Net Additions to SGF</b>	<b>\$17,441</b>	<b>\$15,070</b>																		
<b>Net SGF Available</b>		<b>\$9,648</b>																		
<b>Uses of Net School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Extra-curricular activities</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>School site beautification</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Field Trips</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Family literacy and other community resources</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td style="text-align: right;"><b>\$0</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$0	School site beautification	\$0	Field Trips	\$0	Equipment	\$0	Family literacy and other community resources	\$0	Other (describe):	\$0	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$0</b>					
Extra-curricular activities	\$0																			
School site beautification	\$0																			
Field Trips	\$0																			
Equipment	\$0																			
Family literacy and other community resources	\$0																			
Other (describe):	\$0																			
<b>Total Uses of Net SGF (Note 2)</b>	<b>\$0</b>																			
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$9,648</b>																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>																				
<b>Notes:</b>																				
<ol style="list-style-type: none"> <li>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																				





**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 275]

**Northern Gateway Regional Division No. 10**

Legal Name of School Jurisdiction

**4104 Kepler Street, Whitecourt, AB T7S 1M8**

Mailing Address

**(780)-778-2800 (780)-778-6917**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Northern Gateway Regional Division No. 10

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Judy Muir

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Kevin Andrea

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Michael Gramatovich

Name

"ORIGINAL SIGNED"

Signature

27-Nov-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 318-0800)

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<b>STATEMENT OF REVENUES AND EXPENSES</b>	<b>5</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>STATEMENT OF CHANGES IN NET ASSETS</b>	<b>7</b>
<b>STATEMENT OF CAPITAL ALLOCATIONS</b>	<b>8</b>
<b>NOTES TO THE FINANCIAL STATEMENTS INSERT</b>	<b>9</b>

# *Clews & Shoemaker*

CHARTERED ACCOUNTANTS

Graham Rex Clews Professional Corporation

+

John S. Shoemaker Professional Corporation

## AUDITOR'S REPORT

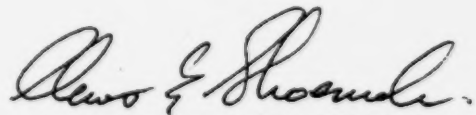
To the Board of Trustees of the Northern Gateway Regional Division No. 10:

We have audited the statement of financial position of Northern Gateway Regional Division No. 10 as at August 31, 2007, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Gateway Regional Division No. 10 as at August 31, 2007, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Westlock, Alberta  
November 20, 2007

  
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**  
(in dollars)

		2007	2006 (Note)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments		\$8,391,949	\$7,788,370
Accounts receivable (net after allowances)		\$1,074,747	\$1,091,499
Prepaid expenses		\$301,997	\$376,960
Other current assets		\$0	\$0
<b>Total current assets</b>		<b>\$9,768,693</b>	<b>\$9,256,829</b>
School generated assets		\$980,125	\$835,333
Trust assets		\$203,609	\$206,461
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$2,069,465	\$2,069,465
Buildings	\$73,545,426		
Less: accumulated amortization	(\$19,801,292)	\$53,744,134	\$52,423,136
Equipment	\$3,223,257		
Less: accumulated amortization	(\$2,213,523)	\$1,009,734	\$680,616
Vehicles	\$2,893,914		
Less: accumulated amortization	(\$1,975,986)	\$917,929	\$1,070,171
<b>Total capital assets</b>		<b>\$57,741,262</b>	<b>\$56,243,388</b>
<b>TOTAL ASSETS</b>		<b>\$68,693,689</b>	<b>\$66,542,011</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$764,139	\$1,183,437
Deferred revenue		\$1,856,367	\$3,205,931
Deferred capital allocations		\$45,614	\$44,052
Current portion of all long term debt		\$807,307	\$996,411
<b>Total current liabilities</b>		<b>\$3,473,427</b>	<b>\$5,429,831</b>
School generated liabilities		\$980,125	\$835,333
Trust liabilities		\$203,609	\$206,461
Employee future benefits liability		\$10,029	\$25,728
Long term payables and accrued liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$4,646,878	\$5,517,967
Less: Current portion of supported debt		(\$797,210)	(\$871,089)
Unsupported: Debentures and Capital Loans		\$64,389	\$189,709
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		(\$10,097)	(\$125,322)
Other long term liabilities		\$0	\$0
Unamortized capital allocations		\$47,092,122	\$44,568,206
<b>Total long term liabilities</b>		<b>\$52,189,844</b>	<b>\$50,346,993</b>
<b>TOTAL LIABILITIES</b>		<b>\$55,663,272</b>	<b>\$55,776,824</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$489,459	\$489,458
Operating Reserves		\$5,442,949	\$3,243,055
Accumulated Operating Surplus (Deficit)		\$5,932,408	\$3,732,513
Investment in capital assets		\$5,937,876	\$5,967,506
Capital Reserves		\$1,160,134	\$1,065,170
<b>Total Capital Funds</b>		<b>\$7,096,010</b>	<b>\$7,032,676</b>
<b>Total net assets</b>		<b>\$13,030,417</b>	<b>\$10,765,189</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$68,693,689</b>	<b>\$66,542,013</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$48,405,938	\$45,826,697	\$45,927,270
Federal Government and/or First Nations	\$1,732,762	\$1,219,083	\$1,441,369
Other Alberta school authorities	\$11,796	\$0	\$1,600
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$35,396	\$0	\$75,454
Instruction resource fees	\$295,302	\$264,231	\$301,057
Transportation fees	\$47,384	\$28,000	\$30,482
Other sales and services	\$75,419	\$46,000	\$392,894
Investment income	\$254,314	\$93,750	\$159,271
Gifts and donations	\$31,881	\$1,500	\$12,400
Rentals of facilities	\$72,097	\$68,980	\$126,915
Net school generated funds	\$980,125	\$919,027	\$835,334
Gains on disposal of capital assets	\$42,498	\$0	\$304,552
Amortization of capital allocations	\$1,760,183	\$1,820,256	\$1,552,834
<b>Total Revenues</b>	<b>\$53,745,095</b>	<b>\$50,287,524</b>	<b>\$51,161,432</b>
<b>EXPENSES</b>			
Certificated salaries	\$23,470,888	\$22,875,165	\$22,988,753
Certificated benefits	\$2,633,798	\$2,459,885	\$2,413,326
Non-certificated salaries and wages	\$7,149,936	\$6,546,342	\$7,084,926
Non-certificated benefits	\$1,775,221	\$1,688,359	\$1,570,532
Services, contracts and supplies	\$12,483,656	\$13,264,728	\$11,148,309
Net school generated funds	\$980,125	\$919,027	\$835,334
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,760,183	\$1,820,256	\$1,552,834
Unsupported	\$679,632	\$721,503	\$682,156
Total Amortization of capital assets	\$2,439,815	\$2,541,759	\$2,234,990
Interest on capital debt			
Supported	\$528,259	\$528,164	\$625,601
Unsupported	\$9,264	\$9,263	\$24,378
Total Interest on capital debt	\$537,523	\$537,427	\$649,979
Other interest charges	\$1,218	\$1,000	\$473
Losses on disposal of capital assets	\$7,688	\$0	\$3,378
<b>Total Expenses</b>	<b>\$51,479,868</b>	<b>\$50,814,692</b>	<b>\$48,930,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$2,265,227	(\$527,168)	\$2,231,432
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$2,265,227</b>	<b>(\$527,168)</b>	<b>\$2,231,432</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$2,265,227	\$2,231,432
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,760,183)	(\$1,552,834)
Total amortization expense	\$2,439,815	\$2,234,990
Gains on disposal of capital assets	(\$42,498)	(\$304,552)
Losses on disposal of capital assets	\$7,686	\$3,378
Changes in accrued accounts:		
Accounts receivable	\$16,752	\$1,442,971
Prepays and other current assets	\$74,963	(\$251,655)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$419,298)	\$623,661
Deferred revenue	(\$1,349,564)	\$2,621,304
Employee future benefit expense (recovery)	(\$15,699)	(\$18,911)
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,217,203	\$7,029,784
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$3,310,693)	(\$6,719,770)
Equipment	(\$494,626)	(\$248,255)
Vehicles	(\$186,837)	(\$37,090)
Net proceeds from disposal of capital assets	\$89,280	\$966,969
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$3,902,876)	(\$6,038,146)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$3,414,572	\$6,488,316
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$996,409)	(\$1,175,583)
Add back: supported portion	\$871,089	\$978,296
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$3,289,252	\$6,291,031
Net sources (uses) of cash during year	\$603,579	\$7,282,669
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$7,788,370	\$505,701
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$8,391,949	\$7,788,370

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$10,765,189	\$5,967,506	\$489,458	\$3,243,055	\$1,065,170
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$10,765,189	\$5,967,506	\$489,458	\$3,243,055	\$1,065,170
Excess(def) of revenue over expenses	\$2,265,227		\$2,265,227		
Board funded capital transactions		\$579,146	\$0	(\$579,146)	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,439,815)	\$2,439,815		
Amortization of capital allocations		\$1,760,183	(\$1,760,183)		
Disposal of unsupported capital assets	\$0	(\$54,467)	(\$34,811)		\$89,278
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$125,322	(\$125,322)		
Net transfers to operating reserves			(\$2,779,040)	\$2,779,040	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$5,686)		\$5,686
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$13,030,417	\$5,937,876	\$489,459	\$5,442,949	\$1,160,134

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$44,052	\$44,568,206
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$44,052	\$44,568,206
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$3,413,010	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$1,562	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$871,089
Expended capital allocations - current year	(\$3,413,010)	\$3,413,010
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,760,183
Balance at August 31, 2007	\$45,614	\$47,092,122

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



## NORTHERN GATEWAY REGIONAL DIVISION #10

### NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2007

#### 1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the School Act, Revised statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta School Jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

##### (a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province for new construction are recorded as deferred capital allocations until spent. Once spent, the capital allocations are transferred to unamortized capital allocations, which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Capital allocations for the purpose of debt repayment are recorded as unamortized capital allocations.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value, when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(b) Prepaid Expenses**

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

**(c) Capital Assets**

Capital assets are recorded at cost, except for contributed assets which are recorded at the estimated fair market when acquired. The capital assets are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 5%
Equipment and furnishings	10% to 20%
Vehicles and buses	10% to 20%

Only capital assets with a cost in excess of \$5,000 are capitalized. Assets with a cost less than \$5,000 are treated as current operating expenses. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**(d) School Generated Funds**

These are funds which come under the control and responsibility of the school principal for school activities. These funds are collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the Regional Division because the accountability, control and ownership of these funds rests with the Regional Division's officials or their appointees.

**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(e) Pensions**

Pension cost included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Northern Gateway Regional Division #10 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$464,616, (\$370,133 in 2006) for the year ended August 31, 2007.

**(f) Contributed Services**

Volunteers contribute a considerable number of hours per year to assist schools within the Regional Division in the delivery of programs, including but not limited to, kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are generally not otherwise purchased, contributed services are not recognized in the financial statements.

**(g) Inventories**

The Regional Division expenses all items under \$5,000 as current operating expenses and, therefore, does not track inventories of supplies in its financial statements.

**(h) Financial Instruments**

The Regional Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long term debt. It is management's opinion that the Regional Division is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values. The Regional Division has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

NORTHERN GATEWAY REGIONAL DIVISION #10

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for future operating or capital expenditures. Such reserves represent appropriations of accumulated surplus (unrestricted net assets).

(j) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses related costs. As at August 31, 2007, the recorded obligation is \$10,029 (2006 \$25,728).

3. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 9,388	\$ 76,139
Alberta Finance	273,769	325,889
Federal Government	314,693	397,658
First Nations	398,066	220,519
Other Alberta School Jurisdictions	44,150	-
Other	<u>34,681</u>	<u>71,294</u>
	<u>\$ 1,074,747</u>	<u>\$ 1,091,499</u>

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate plus 1/4%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

NORTHERN GATEWAY REGIONAL DIVISION #10

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

5. DEFERRED REVENUE

	<u>2007</u>	<u>2006</u>
Onoway Elementary school	\$ 126,700	\$ 2,529,748
School improvement	12,000	-
AISI	114,874	23,544
Whitecourt concept study	848	848
Valleyview concept study	80,294	80,294
IMP	-	131,123
IMR 2006 - 2007	876,360	-
Pat Hardy Portables	-	195,515
One time textbook	-	19,260
Class size initiative	201,941	35,553
Video conferencing	-	5,406
One to One Mobility	247,730	-
Richvalley Modernization	153,493	153,568
Percy Baxter Project	31,071	31,071
Prepaid transportation fees	<u>11,056</u>	<u>-</u>
	<u>\$ 1,856,367</u>	<u>\$ 3,205,930</u>

6. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	<u>2007</u>	<u>2006</u>
Endowment funds for scholarships	\$ <u>203,609</u>	\$ <u>206,461</u>

NORTHERN GATEWAY REGIONAL DIVISION #10

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

7. LONG TERM DEBT

	<u>2007</u>	<u>2006</u>
Debentures repayable to Alberta Municipal Financing Corporation at \$2,587,868 per year, including interest at rates of 6.875% to 12.0%. Debenture debt is issued on the credit and security of the Regional Division and matures between 2002 and 2019. Certain of these debentures are eligible for Provincial support. These debentures funded the construction of school buildings with a net carrying amount of \$53,744,134.	\$ 4,711,267	\$ 5,592,449
Johnson Controls Ltd. financing agreement, repayable at \$10,750 per month including interest at a rate of 7.0%, plus an additional \$75,000 principal on the anniversary of the completion of the project. The agreement, used to fund the energy retrofit project, matured December 2006 and was secured by certain property with a net book value of \$953,033.	<u>-</u>	<u>115,225</u>
	4,711,267	5,707,674
Less: Current portion	<u>807,307</u>	<u>996,413</u>
	<u>\$ 3,903,960</u>	<u>\$ 4,711,261</u>

The payments of principal required to meet long term debt obligations in each of the next five years are as follows:

	<u>Supported Principal</u>	<u>Unsupported Principal</u>
2008	\$ 797,210	\$ 10,097
2009	722,892	10,097
2010	633,783	10,097
2011	528,818	10,097
2012	483,528	10,097
Thereafter	<u>1,480,647</u>	<u>13,904</u>
	<u>\$ 4,646,878</u>	<u>\$ 64,389</u>

**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**8. CONTINGENCY**

The Regional Division is a member of a reciprocal insurance exchange called (ALAIRE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the current year as the value of equity is subject to liability claims.

**9. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure had not yet been made at year-end. The unamortized capital allocations account when expended are transferred to unamortized capital allocations.

**10. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now expended, as well as fully-supported debenture principal repayments.

**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**11. INTERFUND TRANSFERS**

During the year the Regional Division transferred the following amounts between funds:

	<u>2007</u>	<u>2006</u>
a) Transfers between restricted operating reserves and unrestricted net assets:		
Current operating revenues in excess of expenditures	\$ 2,265,227	\$ 2,231,432
Amortization of capital assets	2,439,815	2,234,990
Amortization of capital allocations	(1,760,183)	(1,552,834)
(Gain)/Loss on disposal of capital assets	(34,811)	(301,174)
Principal payments on unsupported debt	(125,322)	(197,285)
Interest transfer for Capital Supported Allocations	<u>(5,686)</u>	<u>901</u>
Net transfer from unrestricted to restricted funds	\$ <u>2,779,040</u>	\$ <u>2,416,030</u>
b) Transfers between restricted operating reserves and capital reserves:		
Net transfer from capital reserves to restricted operating reserves	\$ <u>5,686</u>	\$ <u>3,102</u>

**12. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

**13. CAPITAL RECONCILIATION**

	<u>2007</u>	<u>2006</u>
A. Total capital assets	\$ 57,741,262	\$ 56,243,388
Deduct: Long Term debt		
- supported	(4,646,878)	(5,517,967)
- unsupported	<u>(64,389)</u>	<u>(189,709)</u>
Net total	\$ <u>53,029,995</u>	\$ <u>50,535,712</u>
B. Unamortized capital allocations	47,082,122	44,568,208
Add: Investment in capital assets	<u>5,937,876</u>	<u>5,967,506</u>
Net total	<u>53,029,998</u>	<u>50,535,712</u>
C. Variance	\$ <u>(3)</u>	\$ <u>-</u>



**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**14. COMMITMENTS**

**a) Building Projects**

The jurisdiction committed to capital expenditures at Onoway Elementary School and Pat Hardy Elementary Schools. These costs were funded by the capital allocations from Alberta Infrastructure.

**b) Leases**

The jurisdiction is committed to equipment leases at it's various schools in the amount of \$860,012 repayable as follows:

2007	\$ 215,003
2008	215,003
2009	215,003
2010	<u>215,003</u>
	\$ <u>860,012</u>

**15. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

The Northern Gateway Regional Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**NORTHERN GATEWAY REGIONAL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**16. RELATED PARTY TRANSACTIONS**

Effective 2005 / 2006 school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The summary of activities for the year are as follows:

	Balances		Transactions	
	Assets ( @ Cost or Net Realizable Value)	Liabilities ( @ Fair Value)	Revenues	Expenses
<b>2006 - 2007</b>				
Government of Alberta:				
Education	\$ 9,388	\$ 449,670	\$ 47,825,879	\$ -
Finance	273,770	-	528,259	-
Other Gov't of Alberta departments	44,150	12,000	51,800	-
Other:				
Alberta Health Care	-	-	-	378,812
<b>Total 2006 - 2007</b>	<b>\$ 327,308</b>	<b>\$ 461,670</b>	<b>\$ 48,405,938</b>	<b>\$ 378,812</b>
<b>Total 2005 - 2006</b>	<b>\$ 402,028</b>	<b>\$ 110,744</b>	<b>\$ 45,927,270</b>	<b>\$ 302,525</b>

**NORTHERN GATEWAY REGIONAL SCHOOL DIVISION #10**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**17. REMUNERATION AND MONETARY INCENTIVES**

The Northern Gateway School Division has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Chair: Gerry Steinke	1.0	\$ 22,103	\$ 938	\$ -	\$ -	\$ -	\$ 8,433
Merv Zaddery	0.4	\$ 6,819	\$ 1,682	\$ -	\$ -	\$ -	\$ 4,501
Judy Muir	1.0	\$ 23,131	\$ 4,328	\$ -	\$ -	\$ -	\$ 10,114
Brenda Giesbrecht	1.0	\$ 9,023	\$ 3,011	\$ -	\$ -	\$ -	\$ 5,511
Carol Ohler	1.0	\$ 15,521	\$ 7,441	\$ -	\$ -	\$ -	\$ 8,172
Kim Priest	0.5	\$ 10,447	\$ 2,377	\$ -	\$ -	\$ -	\$ 5,801
Barbara Maddigan	1.0	\$ 12,643	\$ 1,747	\$ -	\$ -	\$ -	\$ 5,735
Terry Siemko	1.0	\$ 15,711	\$ 3,985	\$ -	\$ -	\$ -	\$ 5,644
Maureen Wilcox	1.0	\$ 11,827	\$ 4,677	\$ -	\$ -	\$ -	\$ 5,856
<b>Subtotal</b>	<b>7.9</b>	<b>\$ 127,225</b>	<b>\$ 30,186</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,767</b>
Kevin Andrea	1.0	\$ 129,675	\$ 10,263	\$ -	\$ -	\$ -	\$ 31,866
Mike Gramatovich	1.0	\$ 107,123	\$ 20,045	\$ -	\$ -	\$ -	\$ 18,452
Certified Teachers	308.0	\$ 23,341,213	\$2,623,535	\$ -	\$ -	\$ -	\$ -
Non-Certified Teachers	227.4	\$ 6,915,587	\$1,724,989	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>545.3</b>	<b>\$ 30,620,823</b>	<b>\$4,409,018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,085</b>

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**Northern Regional Division No. 10**

Legal Name of School Jurisdiction

**P.O. Box 840, 4104 Kepler Street, Whitecourt, AB T7S 1M8**

Mailing Address

**780-778-2800      780-778-6719**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Michael Gramatovich**  
Name

**ORIGINAL SIGNED**  
Signature

**27-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: \_\_\_\_\_

2275

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$47,825,879	\$35,623,234	\$5,582,714	\$4,513,446	\$2,106,485	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$528,259		\$528,259			\$0
(4) Other - Government of Alberta	\$51,800	\$45,000	\$6,800	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$1,732,762	\$1,634,820	\$97,942	\$0	\$0	\$0
(6) Other Alberta school authorities	\$11,796	\$11,796	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$35,396	\$24,396	\$0	\$0	\$11,000	\$0
(9) Instruction resource fees	\$295,302	\$295,302				
(10) Transportation fees	\$47,384			\$47,384		
(11) Other sales and services	\$75,419	\$1,508	\$4,750	\$68,411	\$750	\$0
(12) Investment income	\$254,314	\$252,015	\$2,018	\$196	\$85	\$0
(13) Gifts and donations	\$31,881	\$31,881	\$0	\$0		\$0
(14) Rentals of facilities	\$72,097	\$0	\$72,097	\$0	\$0	\$0
(15) Net school generated funds	\$980,125	\$980,125			\$0	
(16) Gains on disposal of capital assets	\$42,498	\$0	\$22,378	\$20,120	\$0	\$0
(17) Amortization of capital allocations	\$1,760,183	\$0	\$1,760,183	\$0		\$0
(18) TOTAL REVENUES	\$53,745,095	\$38,900,077	\$8,077,141	\$4,649,557	\$2,118,320	\$0
<b>EXPENSES</b>						
(19) Certificated salaries	\$23,470,888	\$23,121,074			\$349,814	\$0
(20) Certificated benefits	\$2,633,798	\$2,583,084			\$50,714	\$0
(21) Non-certificated salaries and wages	\$7,149,936	\$4,869,019	\$924,330	\$592,133	\$764,454	\$0
(22) Non-certificated benefits	\$1,775,221	\$1,272,062	\$196,498	\$122,445	\$184,216	\$0
(23) SUB - TOTAL	\$35,029,843	\$31,845,239	\$1,120,828	\$714,578	\$1,349,198	\$0
(24) Services, contracts & supplies	\$12,483,655	\$4,317,998	\$4,132,648	\$3,515,003	\$518,006	\$0
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$980,125	\$980,125				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,760,183	\$0	\$1,760,183	\$0	\$0	\$0
(28) Unsupported	\$679,632	\$297,679	\$101,154	\$253,153	\$27,646	\$0
(29) Total Amortization	\$2,439,815	\$297,679	\$1,861,337	\$253,153	\$27,646	\$0
Interest on capital debt						
(30) Supported	\$528,259	\$0	\$528,259	\$0	\$0	\$0
(31) Unsupported	\$8,264	\$0	\$7,836	\$0	\$1,428	\$0
(32) Other interest charges	\$1,218	\$200	\$25	\$993	\$0	\$0
(33) Losses on disposal of capital assets	\$7,688	\$0	\$0	\$7,688	\$0	\$0
(34) TOTAL EXPENSES	\$51,479,087	\$37,441,241	\$7,850,933	\$4,491,415	\$1,896,278	\$0
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,265,228	\$1,458,836	\$426,208	\$158,142	\$222,042	\$0

**SCHEDULE B  
ALBERTA EDUCATION REVENUE 2006-2007**

School Jurisdiction Code: \_\_\_\_\_ 0

	TOTAL
Base Funding	\$27,791,591
Additional Funding for Differential Cost Factors	\$15,848,252
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,626,000
Student Health Initiative (SHI)	\$186,400
Alberta Initiative for School Improvement (AISi)	\$598,848
SuperNet Services	\$100,881
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$44,184
Infrastructure Maintenance Renewal (IMR)	\$1,572,808
Other Funding from Alberta Education (describe): One to One Mobility/Video etc.	\$78,936
Total Alberta Education Revenues	\$47,825,879

**SCHEDULE C  
ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$2,421,351	\$1,877,787	\$292,821		\$0	\$0	\$4,691,759
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$193,141	\$462,728	\$1,907		\$0		\$657,776
ECS Program Unit (PUF)	\$27,222	\$329,658	\$118,722		\$0		\$473,602
Severe Disabilities (Gr 1-12)	\$1,200,136	\$2,597,892	\$88,918		\$0		\$3,886,746
English as a Second Language (ESL)	\$0	\$0	\$0		\$0		\$0
French Language & Francisation	\$0	\$0	\$8,235		\$0		\$8,235
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$535,070	\$137,877	\$8,836		\$0		\$679,683
Alberta Initiative for School Improvement	\$378,143	\$78,539	\$148,106	\$0	\$0		\$598,788
Student Health Initiative	\$0	\$0	\$186,400		\$0		\$186,400
SuperNet Service			\$100,881		\$0		\$100,881
Class Size Initiative	\$1,822,520	\$3,273	\$297	\$0	\$0		\$1,826,000
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$19,452,786	\$531,200	\$3,389,381	\$0	\$0	\$1,278,004	\$24,651,361
TOTAL EXPENSES	\$25,738,379	\$8,108,854	\$4,318,004	\$0	\$0	\$1,278,004	\$37,441,241

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	1.4	15.8
ECS Program Unit (PUF)	0.2	14.3
Severe Disabilities (Gr 1-12)	18.5	88.1

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$61,479,867</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.32%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$2,223,936
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$58,365	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrolment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,223,936</b>
Less: 2006/2007 Board and System Administration expenses		-\$1,896,278
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$327,652</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$835,334</b>																		
<b>Sources of School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$1,520,408</td> <td align="right">\$686,797</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$290,421</td> <td align="right">\$212,389</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$127,668</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$178,441</td> <td align="right">\$90,836</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td align="right"><b>\$2,114,938</b></td> <td align="right"><b>\$990,022</b></td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$1,520,408	\$686,797	Student fees (Non-Instructional) (Note 1)	\$290,421	\$212,389	Donations and grants to schools	\$127,668	\$0	Other (describe):	\$178,441	\$90,836	<b>Net Additions to SGF</b>	<b>\$2,114,938</b>	<b>\$990,022</b>	<b>\$1,124,916</b>
Gross SGF	Related Expenses	Net SGF																		
Fundraising activities	\$1,520,408	\$686,797																		
Student fees (Non-Instructional) (Note 1)	\$290,421	\$212,389																		
Donations and grants to schools	\$127,668	\$0																		
Other (describe):	\$178,441	\$90,836																		
<b>Net Additions to SGF</b>	<b>\$2,114,938</b>	<b>\$990,022</b>																		
<b>Net SGF Available</b>		<b>\$1,960,250</b>																		
<b>Uses of Net School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$527,724</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$13,947</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$90,573</td> </tr> <tr> <td>Equipment</td> <td align="right">\$17,771</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$13,371</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$316,739</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td align="right"><b>\$960,125</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$527,724	School site beautification	\$13,947	Field Trips	\$90,573	Equipment	\$17,771	Family literacy and other community resources	\$13,371	Other (describe):	\$316,739	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$960,125</b>					
Extra-curricular activities	\$527,724																			
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Equipment	\$17,771																			
Family literacy and other community resources	\$13,371																			
Other (describe):	\$316,739																			
<b>Total Uses of Net SGF (Note 2)</b>	<b>\$960,125</b>																			
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$980,125</b>																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>																				
<b>Notes:</b>																				
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>																				
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>																				
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>																				



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**NORTHERN LIGHTS SCHOOL DIVISION NO. 69**

Legal Name of School Jurisdiction

**6005 - 50th AVENUE, BONNYVILLE, AB T9N 2L4**

Mailing Address

**PHONE - 780-826-3145 FAX 780-826-4600**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN****WALTER HRYCAUK**

Name

**ORIGINAL SIGNED**

Signature

**SUPERINTENDENT****ROGER NIPPARD**

Name

**ORIGINAL SIGNED**

Signature

**SECRETARY TREASURER OR TREASURER****GARY KRAWCHUK**

Name

**ORIGINAL SIGNED**

Signature

**November 21, 2007**

Board-approved Release Date

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<b>STATEMENT OF CAPITAL ALLOCATIONS</b>	<b>8</b>
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# Hawkings Epp Dumont LLP

## Chartered Accountants

E.A. Hawkings, CA*	P.J. Dirks, CA*	J.S. Hawkings, CA*	Suite 101
M.H. Epp, CA, CMA*	T.D. Tinney, CA*	C.D. Friesen, CA*	17107 - 107 Avenue
P.J. Dirks, CA*			Edmonton, Alberta T5S 1G3
L.M. Custer, CMA	T.G. Dodd, CA*	M.M. Friedman, CGA	Telephone (780) 489-9606
D.M. Goulet-Soetaert, CA, CMA*	C.M. Kulak, CA*	J.M. Kennedy, CA	Fax (780) 484-9689
K.A. van Roijen, CGA	B.L. Moore, CMA*	C.S. Guilbeault, CA	Email: hed@hed-edm.com

## AUDITORS' REPORT

To the Board of Trustees  
Northern Lights School Division No. 69  
Bonnyville, Alberta

We have audited the statement of financial position of the Northern Lights School Division No. 69 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an audit opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
October 26, 2007

HAWKINGS EPP DUMONT LLP  
Chartered Accountants

### **Founding Partners**

F.J. Bruha, CA (Deceased)  
A.W. Whelan, CA (Retired)

### **Stony Plain Office**

Phone (780) 963-2727  
Fax (780) 963-1294  
Email: email@hawkings.com

\*Professional Corporation

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2007  
(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$12,207,275	\$5,309,464
Accounts receivable (net after allowances)	\$1,709,391	\$2,967,476
Prepaid expenses	\$986,408	\$883,135
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$14,903,074</b>	<b>\$9,160,075</b>
School generated assets	\$886,455	\$790,575
Trust assets	\$57,264	\$56,499
Long term accounts receivable	\$41,190	\$63,891
Long term investments	\$0	\$0
Capital assets		
Land	\$961,729	\$961,729
Buildings	\$61,345,405	
Less: accumulated amortization	(\$30,648,198)	
Equipment	\$3,858,929	
Less: accumulated amortization	(\$3,031,061)	
Vehicles	\$2,093,924	
Less: accumulated amortization	(\$1,241,512)	
<b>Total capital assets</b>	<b>\$33,338,216</b>	<b>\$34,771,481</b>
<b>TOTAL ASSETS</b>	<b>\$49,227,199</b>	<b>\$44,842,521</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,736,022	\$1,598,859
Deferred revenue	\$2,041,006	\$494,479
Deferred capital allocations	\$885,191	\$11,433
Current portion of all long term debt	\$992,765	\$999,027
<b>Total current liabilities</b>	<b>\$6,554,984</b>	<b>\$3,103,798</b>
School generated liabilities	\$886,455	\$790,575
Trust liabilities	\$57,264	\$56,499
Employee future benefits liability	\$6,100	\$3,100
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$6,502,132	\$7,501,158
Less: Current portion of supported debt	(\$992,765)	(\$999,027)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$22,437,967	\$22,679,422
<b>Total long term liabilities</b>	<b>\$28,997,053</b>	<b>\$30,031,727</b>
<b>TOTAL LIABILITIES</b>	<b>\$35,552,037</b>	<b>\$33,135,525</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$840,481	\$330,193
Operating Reserves	\$6,635,468	\$6,785,905
Accumulated Operating Surplus (Deficit)	\$9,275,949	\$7,116,098
Investment in capital assets	\$4,399,213	\$4,590,898
Capital Reserves	\$0	\$0
<b>Total Capital Funds</b>	<b>\$4,399,213</b>	<b>\$4,590,898</b>
<b>Total net assets</b>	<b>\$13,675,162</b>	<b>\$11,706,996</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$49,227,199</b>	<b>\$44,842,521</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$54,576,314	\$53,510,439	\$52,705,015
Federal Government and/or First Nations	\$2,067,996	\$2,201,492	\$1,824,976
Other Alberta school authorities	\$2,459	\$0	\$2,411
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$7,506	\$12,000	\$8,060
Transportation fees	\$142,395	\$113,410	\$114,221
Other sales and services	\$236,900	\$500,000	\$580,855
Investment income	\$352,194	\$166,840	\$242,977
Gifts and donations	\$55,095	\$15,500	\$45,981
Rentals of facilities	\$20,232	\$24,604	\$42,847
Net school generated funds	\$727,096	\$580,977	\$827,876
Gains on disposal of capital assets	\$10,759	\$0	\$50,452
Amortization of capital allocations	\$1,732,147	\$1,724,027	\$1,733,858
<b>Total Revenues</b>	<b>\$59,931,093</b>	<b>\$58,849,289</b>	<b>\$58,179,529</b>
<b>EXPENSES</b>			
Certificated salaries	\$25,556,637	\$25,550,260	\$25,529,899
Certificated benefits	\$3,033,746	\$3,000,427	\$2,956,365
Non-certificated salaries and wages	\$8,997,777	\$9,072,236	\$8,891,280
Non-certificated benefits	\$2,316,339	\$2,539,950	\$2,205,244
Services, contracts and supplies	\$14,206,105	\$15,152,371	\$13,918,315
Net school generated funds	\$727,096	\$580,977	\$827,876
Capital and debt services			
Amortization of capital assets			
Supported	\$1,732,147	\$1,795,595	\$1,733,858
Unsupported	\$625,327	\$551,673	\$585,134
Total Amortization of capital assets	\$2,357,474	\$2,347,268	\$2,318,992
Interest on capital debt			
Supported	\$767,290	\$767,289	\$877,083
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$767,290	\$767,289	\$877,083
Other interest charges	\$463	\$1,000	\$464
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$57,962,927</b>	<b>\$59,011,778</b>	<b>\$57,525,518</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$1,968,166</b>	<b>(\$162,489)</b>	<b>\$654,011</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,968,166</b>	<b>(\$162,489)</b>	<b>\$654,011</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,968,166	\$654,011
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,732,147)	(\$1,733,858)
Total amortization expense	\$2,357,474	\$2,318,992
Gains on disposal of capital assets	(\$10,759)	(\$50,452)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$1,258,085	\$1,428,720
Prepays and other current assets	(\$103,273)	\$83,423
Long term accounts receivable	\$22,701	\$13,342
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,137,163	(\$1,495,332)
Deferred revenue	\$1,546,527	(\$141,399)
Employee future benefit expense (recovery)	\$3,000	\$1,800
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$6,446,937	\$1,079,047
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$72,465)
Buildings	(\$604,511)	(\$2,284,801)
Equipment	(\$40,711)	(\$369,095)
Vehicles	(\$286,054)	(\$319,387)
Net proceeds from disposal of capital assets	\$16,826	\$50,452
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$914,450)	(\$2,995,296)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$1,365,324	\$2,348,649
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$999,026)	(\$1,019,959)
Add back: supported portion	\$999,026	\$1,019,958
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$1,365,324	\$2,348,648
Net sources (uses) of cash during year	\$6,897,811	\$432,399
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$5,309,464	\$4,877,065
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$12,207,275	\$5,309,464

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$11,706,996	\$4,590,898	\$330,193	\$6,785,905	\$0
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$11,706,996	\$4,590,898	\$330,193	\$6,785,905	\$0
Excess(def) of revenue over expenses	\$1,968,166		\$1,968,166		
Board funded capital transactions		\$439,709	(\$422,883)	\$0	(\$16,826)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,357,474)	\$2,357,474		
Amortization of capital allocations		\$1,732,147	(\$1,732,147)		
Disposal of unsupported capital assets	\$0	(\$6,067)	(\$10,759)		\$16,826
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$1,849,563)	\$1,849,563	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$13,675,162	\$4,399,213	\$640,481	\$8,635,468	\$0

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$11,433	\$22,679,422
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$11,433	\$22,679,422
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$1,365,324	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$999,026
Expended capital allocations - current year	(\$491,566)	\$491,566
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,732,147
Balance at August 31, 2007	\$885,191	\$22,437,867

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



# NORTHERN LIGHTS SCHOOL DIVISION NO. 69

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2007

### 1. AUTHORITY AND PURPOSE

Northern Lights School Division No. 69 (the "Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Division receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Division is limited on certain funding allocations and administration expenses.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding significant items such as amounts relating to amortization, impairment assessments of property and equipment, and allowances for uncollectible receivables that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### (a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

#### (b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following annual rates:

Buildings	2.5% and 4%
Equipment	10% and 20%
Vehicles	10% and 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense (see Note 8).

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation Pay

Vacation pay is accrued in the period in which the benefit is earned by the employee.

(e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers Pension Plan Act*, the Division does not make pension contributions for certificated staff.

The Division participates in the multi-employer pension plan, the Local Authorities Pension Plan and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$215,434 (2006 - \$206,357) for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 - deficiency of \$863,558,000).

The school board participates in the Supplemental Integrated Pension Plan (SIPP) for certain members of senior administration. The plan provides a supplement to the Local Authorities Pension Plan or Teacher's Retirement Fund (as appropriate) to provide an annual retirement benefit of 2% of final average earnings. A portion of this SIPP constitutes a multi-employer pension plan that is accounted for in the same manner as the Local Authorities Pension Plan. The School Division's expense for this plan is equivalent to the annual contributions of \$12,686 (2006 - \$10,278) for the year ended August 31, 2007. The remaining portion of the SIPP consists of an unfunded defined benefit plan, the cost of which is sponsored by the school board and actuarially determined using the projected benefit method prorated on service and managements' best estimate of expected salary and benefit escalation, retirement ages of employees, and plan investment performance.

(f) Prepaid Expenses

Certain expenses incurred and paid for before the close of the fiscal year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

(g) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) Financial Instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

(i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the Division to set aside funds for future operating and capital purposes. These reserves are appropriations of unrestricted net assets.

**3. ACCOUNTS RECEIVABLE**

	<u>2007</u>	<u>2006</u>
Federal Government	\$ 1,331,968	\$ 1,133,470
Province of Alberta	342,936	1,698,452
Other	<u>34,487</u>	<u>135,555</u>
	<u>\$ 1,709,391</u>	<u>\$ 2,967,477</u>

**4. BANK INDEBTEDNESS**

The Division has negotiated a line of credit in the amount of \$5,000,000 that bears interest at bank prime rate less 0.25%. The line of credit is secured by a revolving line of credit agreement, a demand promissory note, a borrowing resolution and a Government of Alberta Department of Education Ministerial Order #141/94. At August 31, 2007, there was no balance outstanding on the line of credit.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2007</u>	<u>2006</u>
Trade payables and accrued liabilities	\$ 2,313,998	\$ 1,215,110
Province of Alberta	428,124	375,054
Federal government	<u>-</u>	<u>11,795</u>
	<u>\$ 2,742,122</u>	<u>\$ 1,601,959</u>

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

**6. DEFERRED REVENUE**

	<u>2007</u>	<u>2006</u>
Infrastructure Maintenance Renewal	\$ 1,493,000	\$ -
Alberta Initiative for School Improvement	205,266	41,921
Cooperative transportation grant	228,441	182,500
Other	114,299	165,776
DIA tuition	<u>-</u>	<u>104,282</u>
	<u>\$ 2,041,006</u>	<u>\$ 494,479</u>

**7. LONG-TERM DEBT**

The debentures are held with Alberta Capital Finance Authority, bear interest at rates ranging from 7.5% to 12.0% and are fully supported by Alberta Finance.

Debenture payments due over the next five years and beyond are as follows:

2008	\$ 892,765
2009	819,075
2010	761,185
2011	738,193
2012	721,848
2013 to maturity	<u>2,569,066</u>
	<u>\$ 6,502,132</u>

**8. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the Division but the related expenditure has not yet been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

**9. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. Unamortized capital allocations are increased by transfers of previously deferred capital allocations which are now spent, as well as fully-supported debenture principle repayments.

**NORTHERN LIGHTS SCHOOL DIVISION NO. 69**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**10. COMMITMENTS**

**(a) Capital Projects**

**(i) Cold Lake High School**

The Division is committed to capital expenditures for the construction of the Cold Lake High School project of approximately \$31,294,040. It is expected that the full amount of the project will be fully funded by capital allocations from Alberta Education. Expenditures to date are \$926,242.

**(ii) Career and Technology Studies (CTS) project**

The Division is committed to capital expenditures for the addition of a CTS project at J.A. Williams High School in Lac La Biche of approximately \$1,411,682. Of this amount, \$1,000,000 will be fully funded by capital allocations from Alberta Education.

**(b) Electricity Service Agreement**

The Division has entered into an agreement with Enmax Energy for the provision of electricity services until December 31, 2008. Under the terms of the agreement the Division pays 5.924 cents per kilowatt for electricity delivered to each Division site up to the threshold amount. If the threshold amount is exceeded at any site during any month the price is equal to the Flow-Through Rate.

**(c) Natural Gas Agency Agreement**

The Division has appointed Gas Alberta Energy as its agent in obtaining favourable natural gas pricing, thereby authorizing Gas Alberta Energy to enter into fixed price gas purchase contracts on the School Division's behalf. The agreement may be terminated by either party by giving one month's written notice.

**(d) Office Equipment Lease**

The Division is committed to minimum annual lease payments of \$461,012 for photocopiers pursuant to a lease expiring August, 2012.

**11. CONTINGENCIES**

**(a) Reciprocal Insurance Exchange**

The Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represent equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset which the Division can liquidate.

**(b) Local Authorities Pension Plan**

The Division's eligibility and contribution requirements are currently under review by the Alberta Pension's Administration Corporation, resulting in the potential for claims against or in favor of the Division, the amount or likelihood of which is not determinable at this time. It is management's opinion that any potential liability should be covered by the Division's insurer.

**12. RELATED PARTY TRANSACTIONS**

The Division is controlled by the Government of Alberta. Transactions between the Division and the Government of Alberta and related balances are disclosed on the Statement of Revenues and Expenses, Schedule A, the Statement of Financial Position and in notes 3, 5, 6, 7 and 10(a).

The transactions are recorded at their exchange amounts as agreed to by the related parties.

# NORTHERN LIGHTS SCHOOL DIVISION NO. 69

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2007

### 13. ECONOMIC DEPENDENCE

The Division's primary source of revenue is received from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

### 14. ADDITIONAL CASH FLOW INFORMATION

The Division's cash payments for interest on long-term debt during 2007 were \$812,286 (2006 - \$923,126).

### 15. BUDGET FIGURES

The budget was prepared by the Division and approved by the Board of Trustees. It is presented for information purposes only.

### 16. REMUNERATION AND MONETARY INCENTIVES

	<u>Number</u>	<u>Salaries and Wages</u>	<u>Benefits and Allowances</u>	<u>Expenses</u>	<u>Early Retirement Incentive Plan</u>	<u>Total</u>
Hrycauk (Chair)	1.0	\$ 16,925	\$ 568	\$ 10,567	\$ -	\$ 28,060
Kunec	1.0	13,930	90	5,889	-	19,909
Smaiel	1.0	11,130	418	6,014	-	17,562
McDonald	1.0	11,655	414	10,602	-	22,671
Hrynyk	1.0	14,300	563	9,687	-	24,550
Welwood	1.0	10,555	360	2,918	-	13,833
Doonanco	1.0	12,270	78	8,471	-	20,819
Suhan	1.0	12,005	446	8,190	-	20,641
Superintendent	1.0	145,391	11,284	9,860	60,186	226,721
Secretary - Treasurer	1.0	121,438	26,205	1,980	-	149,623
Salaries - Certificated	336.73	25,153,058	2,959,435	-	261,029	28,373,522
Salaries - Uncertificated	<u>279.23</u>	<u>8,773,570</u>	<u>2,287,197</u>	<u>-</u>	<u>-</u>	<u>11,060,767</u>
	<u>625.96</u>	<u>\$34,296,227</u>	<u>\$ 5,287,058</u>	<u>\$ 74,178</u>	<u>\$ 321,215</u>	<u>39,978,678</u>

### 17. COMPARATIVE FIGURES

The comparative figures were reported on by chartered accountants other than Hawkings Epp Dumont LLP.

Certain comparative figures have been reclassified to conform with the current year's presentation.

NORTHERN LIGHTS SCHOOL DIVISION NO. 69

SCHEDULE OF SERVICES, CONTRACTS, AND SUPPLIES EXPENSES

SCHEDULE A

FOR THE YEAR ENDED AUGUST 31, 2007

	<u>2007</u> (Actual)	<u>2006</u> (Actual)
Student transportation	\$ 5,449,755	\$ 5,179,098
Contracted and professional services	2,513,066	2,580,955
Supplies and materials	2,437,231	2,089,019
Utilities	1,229,011	1,349,515
Maintenance and repairs	496,301	801,464
Professional development	442,895	470,734
Insurance	340,704	258,229
Textbooks	271,406	182,481
Travel, subsistence and mileage	256,241	172,860
Telephone	201,549	195,362
Memberships and fees	162,940	178,923
Vehicle operating costs	158,995	136,840
Library	87,814	164,437
Advertising	59,120	25,302
Conference registrations	40,267	26,587
Postage fees	27,231	20,480
Community Learning	19,629	73,130
Property taxes	8,172	11,766
Public relations	<u>3,778</u>	<u>1,133</u>
	<u>\$14,206,105</u>	<u>\$13,918,315</u>

School Jurisdiction Code: 1245

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**NORTHERN LIGHTS SCHOOL DIVISION NO. 69**

Legal Name of School Jurisdiction

**6005 - 50th AVENUE, BONNYVILLE, AB T9N 2L4**

Mailing Address

**PHONE - 780-826-3145 FAX - 780-826-4600**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Gary Krawchuk**

Name

**ORIGINAL SIGNED**

Signature

**November 21, 2007**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L4  
EMAIL: [Cindy.Jarry@gov.ab.ca](mailto:Cindy.Jarry@gov.ab.ca)  
PHONE: (780) 427-7782 FAX: (780) 422-8996



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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 1245

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$53,515,338	\$40,317,359	\$5,505,797	\$5,550,055	\$2,142,127	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0	\$0		
(3) Alberta Finance	\$787,289		\$787,289			\$0
(4) Other - Government of Alberta	\$293,687	\$96,778	\$71,247	\$0	\$0	\$125,662
(5) Federal Government and/or First Nations	\$2,067,996	\$1,769,137	\$213,864	\$0	\$84,995	\$0
(6) Other Alberta school authorities	\$2,459	\$2,459	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$7,506	\$7,506				
(10) Transportation fees	\$142,395			\$142,395		
(11) Other sales and services	\$236,900	\$181,920	\$37,584	\$480	\$16,916	\$0
(12) Investment income	\$352,194	\$253,374	\$49,267	\$35,191	\$14,362	\$0
(13) Gifts and donations	\$55,095	\$55,095	\$0	\$0		\$0
(14) Rentals of facilities	\$20,232	\$4,218	\$11,064	\$0	\$4,950	\$0
(15) Net school generated funds	\$727,096	\$727,096			\$0	
(16) Gains on disposal of capital assets	\$10,759	\$0	\$0	\$0	\$10,759	\$0
(17) Amortization of capital allocations	\$1,732,147	\$140,056	\$1,592,091	\$0		\$0
(18) TOTAL REVENUES	\$59,931,093	\$43,554,998	\$8,248,203	\$5,728,121	\$2,274,109	\$125,662
<b>EXPENSES</b>						
(19) Certificated salaries	\$25,556,637	\$25,074,734			\$481,903	\$0
(20) Certificated benefits	\$3,033,746	\$2,984,996			\$48,750	\$0
(21) Non-certificated salaries and wages	\$8,997,777	\$6,672,679	\$1,404,748	\$129,598	\$733,598	\$57,154
(22) Non-certificated benefits	\$2,316,339	\$1,819,654	\$300,607	\$30,016	\$161,714	\$4,348
(23) SUB - TOTAL	\$39,904,499	\$36,552,063	\$1,705,355	\$159,614	\$1,425,965	\$61,502
(24) Services, contracts & supplies	\$14,206,105	\$4,485,010	\$3,407,896	\$5,481,888	\$767,151	\$64,160
(25) Cost recoveries between programs	\$0	\$11,600	\$0	\$30,000	(\$41,600)	\$0
(26) Net school generated funds	\$727,096	\$727,096				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,732,147	\$140,056	\$1,592,091	\$0	\$0	\$0
(28) Unsupported	\$625,327	\$357,126	\$168,692	\$5,889	\$95,620	\$0
(29) Total Amortization	\$2,357,474	\$497,182	\$1,758,783	\$5,889	\$95,620	\$0
Interest on capital debt						
(30) Supported	\$787,290	\$0	\$787,290	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$463	\$0	\$0	\$0	\$463	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$57,962,927	\$42,272,951	\$7,639,324	\$5,677,391	\$2,247,599	\$125,662
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,968,166	\$1,282,047	\$808,879	\$50,730	\$26,510	\$0

### SCHEDULE B ALBERTA EDUCATION REVENUE 2006-2007

	TOTAL
Base Funding	29,282,511
Additional Funding for Differential Cost Factors	9,909,281
Targeted Funding for Provincial Initiatives	
Class Size Initiative	2,288,678
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISI)	585,135
SuperNet Services	188,206
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	119,084
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	72,288
Infrastructure Maintenance Renewal (IMR)	520,089
Other Funding from Alberta Education (various)	\$10,590,228
Total Alberta Education Revenues	\$53,515,338

### SCHEDULE C ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$3,183,484	\$2,898,408	\$0		\$0	\$1,224,278	\$7,254,178
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$852,485	\$768,115	\$0		\$0		\$1,650,600
ECS Program Unit (PUF)	\$198,704	\$879,161	\$80,738		\$0		\$888,601
Severe Disabilities (Gr 1-12)	\$3,020,301	\$3,401,173	\$78,510		\$0		\$5,497,984
English as a Second Language (ESL)	\$3,050		\$0		\$0		\$53,050
French Language & Francisation	29,259	\$0	\$0		\$0		\$29,259
Enhanced ESL/Francisation & Supports for Immigrant Students	3,339	\$0	\$0		\$0		\$3,339
First Nations, Metis and Inuit Education	1,598,832	\$0	\$0		\$0		\$1,598,832
Alberta Initiative for School Improvement	\$287,299	\$40,347	\$277,489		\$0		\$585,135
Student Health Initiative	\$0	\$0			\$0		\$0
SuperNet Service			\$188,206		\$0		\$188,206
Class Size Initiative	2,288,678	\$0	\$0	\$0	\$0		\$2,288,678
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$17,717,291	\$707,131	\$3,859,023	\$222,048	\$11,600		\$22,317,091
TOTAL EXPENSES	\$28,059,730	\$8,482,333	\$4,282,864	\$222,048	\$11,600	\$1,224,278	\$42,272,951

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.5	23.2
ECS Program Unit (PUF)	1.0	19.8
Severe Disabilities (Gr 1-12)	24.8	88.9

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		\$67,962,927
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.20%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<small>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 8,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).</small>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$2,434,443
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0	\$0
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,434,443</b>
Less: 2006/2007 Board and System Administration expenses		-\$2,247,599
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$186,844</b>

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>				\$790,575
<b>Sources of School Generated Funds:</b>				
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>	
Fundraising activities	\$1,332,238	\$741,148	\$591,089	
Student fees (Non-instructional) (Note 1)	\$332,349	\$235,749	\$96,600	
Donations and grants to schools	\$128,573	\$0	\$128,573	
Other (describe): Interest income	\$6,713	\$0	\$6,713	
<b>Net Additions to SGF</b>	<b>\$1,799,873</b>	<b>\$976,898</b>		<b>\$822,975</b>
<b>Net SGF Available</b>				<b>\$1,613,550</b>
<b>Uses of Net School Generated Funds:</b>				
			\$430,553	
Extra-curricular activities			\$13,249	
School site beautification			\$152,980	
Field Trips			\$99,374	
Equipment			\$9,062	
Family literacy and other community resources			\$21,877	
Other (describe): Administration				\$727,095
<b>Total Uses of Net SGF (Note 2)</b>				<b>\$886,455</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>				
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>				
<b>Notes:</b>				
1	Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.			
2	Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.			
3	Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Northland School Division No. 61**

Legal Name of School Jurisdiction

**Bag 1400, 9809 - 77 Avenue, Peace River, AB, T8S 1V2**

Mailing Address

**Telephone (780) 624-2060 Fax (780) 624-5914**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Northland School Division No. 61

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Steve Noskey

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Annette Ramrattan

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Michel Guindon

Name

"ORIGINAL SIGNED"

Signature

14-Dec-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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## Auditor's Report

To the Board of Trustees of Northland School Division No. 61

I have audited the statement of financial position of the Northland School Division No. 61 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Division's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"Original Signed By  
Fred J. Dunn, FCA"  
Auditor General

Edmonton, Alberta  
November 9, 2007

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note) Restated
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$23,715,397	\$8,130,083
Accounts receivable (net after allowances)	\$3,564,067	\$4,759,421
Prepaid expenses	\$284,178	\$120,787
Other current assets	\$90,594	\$85,592
Total current assets	\$27,654,236	\$13,095,883
School generated assets	\$345,886	\$293,024
Trust assets	\$0	\$0
Long term accounts receivable	\$1,168,142	\$912,107
Long term investments	\$0	\$0
Capital assets		
Land	\$577,347	\$577,347
Buildings	\$94,537,497	
Less: accumulated amortization	(\$52,010,711)	\$42,526,786
Equipment	\$9,797,472	
Less: accumulated amortization	(\$8,272,312)	\$1,525,160
Vehicles	\$4,838,296	
Less: accumulated amortization	(\$3,468,669)	\$1,369,627
Total capital assets	\$45,998,920	\$37,721,742
<b>TOTAL ASSETS</b>	<b>\$75,167,184</b>	<b>\$52,022,755</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$5,432,795	\$2,540,819
Deferred revenue	\$1,390,753	\$1,347,666
Deferred capital allocations	\$11,681,728	\$1,350,493
Current portion of all long term debt	\$1,735,424	\$2,043,502
Total current liabilities	\$20,240,700	\$7,282,480
School generated liabilities	\$345,886	\$293,024
Trust liabilities	\$0	\$0
Employee future benefits liability	\$46,475	\$54,643
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$5,515,632	\$7,555,284
Less: Current portion of supported debt	(\$1,733,499)	(\$2,041,577)
Unsupported: Debentures and Capital Loans	\$13,473	\$15,397
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$1,925)	(\$1,925)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$34,076,968	\$23,769,930
Total long term liabilities	\$38,283,010	\$29,644,776
<b>TOTAL LIABILITIES</b>	<b>\$58,503,710</b>	<b>\$36,927,256</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$2,691,187	\$2,335,037
Operating Reserves	\$2,675,396	\$2,025,767
Accumulated Operating Surplus (Deficit)	\$5,366,583	\$4,360,804
Investment in capital assets	\$6,392,850	\$6,381,134
Capital Reserves	\$4,904,041	\$4,353,561
Total Capital Funds	\$11,296,891	\$10,734,695
Total net assets	\$16,663,474	\$15,095,499
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$75,167,184</b>	<b>\$52,022,755</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2007**  
(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$31,185,812	\$29,669,146	\$30,003,142
Federal Government and/or First Nations	\$17,356,070	\$17,867,898	\$17,087,926
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$11,300
Instruction resource fees	\$0	\$0	\$0
Transportation fees	\$0	\$0	\$0
Other sales and services	\$377,638	\$170,109	\$602,589
Investment income	\$506,493	\$120,000	\$286,534
Gifts and donations	\$310,740	\$192,000	\$158,995
Rentals of facilities	\$819,593	\$827,761	\$826,551
Net school generated funds	\$496,000	\$450,000	\$442,675
Gains on disposal of capital assets	\$3,461	\$15,000	\$12,734
Amortization of capital allocations	\$2,297,304	\$2,280,719	\$2,329,659
<b>Total Revenues</b>	<b>\$53,353,111</b>	<b>\$51,592,633</b>	<b>\$51,762,105</b>
<b>EXPENSES</b>			
Certificated salaries	\$17,964,008	\$17,912,146	\$18,158,023
Certificated benefits	\$4,723,946	\$4,673,124	\$4,024,564
Non-certificated salaries and wages	\$9,888,754	\$10,157,959	\$9,750,346
Non-certificated benefits	\$2,106,221	\$2,538,238	\$2,164,942
Services, contracts and supplies	\$12,321,648	\$12,797,489	\$12,286,597
Net school generated funds	\$496,000	\$450,000	\$442,675
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,297,304	\$2,268,639	\$2,329,659
Unsupported	\$1,233,822	\$1,146,815	\$1,208,155
Total Amortization of capital assets	<b>\$3,531,126</b>	<b>\$3,415,454</b>	<b>\$3,537,814</b>
Interest on capital debt			
Supported	\$739,987	\$739,987	\$983,635
Unsupported	\$1,649	\$1,649	\$1,868
Total interest on capital debt	<b>\$741,636</b>	<b>\$741,636</b>	<b>\$985,503</b>
Other interest charges	\$9,214	\$7,050	\$7,758
Losses on disposal of capital assets	\$2,583	\$650	\$2,015
<b>Total Expenses</b>	<b>\$51,785,136</b>	<b>\$52,693,746</b>	<b>\$51,360,237</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,567,975	(\$1,101,113)	\$401,868
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,567,975</b>	<b>(\$1,101,113)</b>	<b>\$401,868</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,567,975	\$401,868
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,297,304)	(\$2,329,659)
Total amortization expense	\$3,531,126	\$3,537,814
Gains on disposal of capital assets	(\$3,461)	(\$12,734)
Losses on disposal of capital assets	\$2,583	\$2,015
Changes in accrued accounts:		
Accounts receivable	\$1,195,354	\$2,654,366
Prepays and other current assets	(\$168,393)	\$20,553
Long term accounts receivable	(\$256,035)	\$113,474
Long term investments	\$0	\$0
Payables and accrued liabilities	\$2,891,976	(\$1,357,529)
Deferred revenue	\$43,087	(\$100,438)
Employee future benefit expense (recovery)	(\$8,168)	\$54,643
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$6,498,740	\$2,984,373
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$10,884,486)	(\$1,668,457)
Equipment	(\$483,957)	(\$586,492)
Vehicles	(\$448,573)	(\$224,451)
Net proceeds from disposal of capital assets	\$9,589	\$17,634
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$11,807,427)	(\$2,461,766)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$20,895,925	\$2,727,050
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$2,041,576)	(\$2,163,680)
Add back: supported portion	\$2,039,652	\$2,161,755
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$20,894,001	\$2,725,125
Net sources (uses) of cash during year	\$15,585,314	\$3,247,732
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$8,130,083	\$4,882,350
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$23,715,397	\$8,130,083

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$15,095,499	\$6,376,695	\$2,339,476	\$2,025,767	\$4,353,561
Prior period adjustments (describe)					
record gain on disposal used to purchase assets in prior year	\$0	\$4,439	(\$4,439)	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$15,095,499	\$6,381,134	\$2,335,037	\$2,025,767	\$4,353,561
Excess(def) of revenue over expenses	\$1,567,975		\$1,567,975		
Board funded capital transactions		\$1,252,325	\$0	(\$8,335)	(\$1,243,990)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$3,531,126)	\$3,531,126		
Amortization of capital allocations		\$2,297,304	(\$2,297,304)		
Disposal of unsupported capital assets	\$0	(\$8,712)	(\$877)		\$9,589
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$1,925	(\$1,925)		
Net transfers to operating reserves			(\$672,748)	\$672,748	
Net transfers from operating reserves			\$14,784	(\$14,784)	
Net transfers to capital reserves			(\$1,784,881)		\$1,784,881
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$16,663,474	\$6,392,850	\$2,691,187	\$2,675,396	\$4,904,041

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$1,350,493	\$23,769,930
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$1,350,493	\$23,769,930
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$20,283,365	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$340,941	
Other capital grants and donations	\$271,610	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$2,039,652
Expended capital allocations - current year	(\$10,564,690)	\$10,564,690
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$2,297,304
Balance at August 31, 2007	\$11,681,728	\$34,076,968

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 1 Authority**

Northland School Division No. 61 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3 and also operates under the authority of the *Northland School Division Act*, Chapter N-5, Revised Statutes of Alberta, 2000.

The Division receives instruction and support allocations under Regulation 77/2003. The Regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

**Note 2 Significant Accounting Policies and Reporting Practices**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependant on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**(a) Revenue Recognition**

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

Fees for service related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the Province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired with the grant.

Unrestricted donations are recognized as revenue when they are received.

**(b) Capital Assets**

Capital assets are recorded at cost. The cost less an estimated residual value is amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	5 to 40 years
Computers	5 years
Equipment	5 to 10 years
Vehicles	3 to 6 years

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 2 Significant Accounting Policies and Reporting Practices continued**

Computers and related equipment are capitalized, together with other capital assets having a cost in excess of \$500. Any capital allocations received for asset additions are amortized over the same period as the related asset.

**(c) School Generated Funds**

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

**(d) Prepaid Expenses**

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

**(e) Vacation Pay**

Vacation Pay is accrued in the period in which the employee earns the benefit.

**(f) Contributed Services**

Volunteers assist schools operated by the Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

**(g) Pension Obligation:**

The Division participates in the Local Authorities Pension Plan. In addition, the Division's certificated employees are required to contribute to the Teachers' Retirement Fund. These pension plans are multi-employer defined benefit pension plans that provide pensions for the Division's participating employees, based on years of service and earnings.

Pension costs are disclosed as part of salaries and wages and are comprised of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the Local Authorities Pension Plan, and the Province's contributions to the Teachers' Retirement Fund for the Division's certificated employees. The Division's portion of the pension plans deficits or surpluses are not recorded by the Division.

**(h) Operating and Capital Reserves:**

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 3 Cash and temporary investments**

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

**Note 4 Financial Instruments**

The jurisdiction's financial instruments consist of cash, accounts receivable, temporary investments, long term accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

**Note 5 Other Current Assets**

Other current assets consist of advances to various hot lunch programs throughout the division.

**Note 6 Employee Future Benefits**

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. The future benefits are medical and health care benefits to be paid to employees. As at August 31, 2007, the recorded obligation is \$46,475 (2006 \$54,643). The total expense recorded in the financial statements is \$6,282 (2006 \$54,643).

**Note 7 Tuition Fees**

Pursuant to agreements, the Minister of Indian and Northern Affairs and certain Indian Bands have agreed to pay to the Board of the Division a per capita share of the annual net operating costs of the Board for each Indian Student enrolled. The calculation of the amount recoverable from the Minister and the Bands is subject to possible future adjustments since all components of the net operating costs must be mutually agreed upon by the Minister or Bands and the Board, as required under the agreements.

**Note 8 Accounts Receivable (Net after allowances)**

	<u>2007</u>	<u>2006</u>
<b>Short Term</b>		
Province of Alberta	\$ 608,610	\$ 745,764
First Nations (net of allowance of \$104,226)	2,109,034	3,523,418
Department of Indian Affairs	46,516	24,688
Other Federal Government	553,828	276,797
Other	<u>246,079</u>	<u>188,754</u>
<b>Total Short Term</b>	<b>\$ 3,564,067</b>	<b>\$ 4,759,421</b>
<b>Long Term</b>		
First Nations	<u>1,168,142</u>	<u>912,107</u>
<b>Total Accounts Receivable</b>	<b>\$ 4,732,209</b>	<b>\$ 5,671,528</b>

The long term portion of accounts receivable consists of outstanding tuitions owing from a First Nations band. The amount is to be repaid in instalments of \$500,000 per year for four years with the final payment due on April 15, 2011. Interest at 4.5% per annum is applied to the outstanding amount receivable.



**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 8 Accounts Receivable (Net after allowances) continued**

During the current year arrangements were entered into in which payments on outstanding tuitions with a First Nation band are to be paid directly from Indian and Northern Affairs Canada.

**Note 9 Accounts Payable and Accrued Liabilities**

	<u>2007</u>	<u>2006</u>
Trade payables	\$ 3,889,072	\$ 1,827,534
Vacation payable	275,289	301,423
Federal Government payable	291,631	327,838
Holdbacks payable	939,120	49,932
Security deposits payable	37,683	34,092
	<u>\$ 5,432,795</u>	<u>\$ 2,540,819</u>

**Note 10 Deferred Revenue**

	<u>2007</u>	<u>2006</u>
Infrastructure Maintenance Program (Infrastructure)	\$ -	\$ 154,179
Infrastructure Maintenance Renewal (Education)	740,913	193,288
Operations & Maintenance support	-	320,378
2001-2002 Modernization grant	-	8,386
Alberta Initiative for School Improvement	98,306	159,241
Small Class Size Funding	280,148	138,173
Other Provincial Revenue	139,846	54,247
Indian and Northern Affairs	-	149,233
Scholarships	-	57,100
Donations	131,540	113,441
	<u>\$ 1,390,753</u>	<u>\$ 1,347,666</u>

**Note 11 Commitments**

Building Projects

The jurisdiction is committed to further capital expenditures for the addition of the following schools:

Anzac School	\$ 17.7 million
Bishop Routhier School	\$ 8.7 million
East Prairie School	\$ 3.1 million

It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.



**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 11 Commitments continued**

Lease Obligations

The Division leases certain buildings and office equipment under operating leases. The future minimum lease payments under operating leases are as follows:

2008	\$ 146,525
2009	112,861
2010	103,669
2011	82,681
2012	<u>40,412</u>
	<b><u>\$486,148</u></b>

**Note 12 Bank Indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$1,500,000 that bears interest at the bank prime rate minus ¼ percent. The line of credit is secured by a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

**Note 13 Long-term Debt**

The school division has issued the following debentures to the Alberta Capital Finance Authority (A.C.F.A.) to finance purchase of land, school buildings and some residences having a carrying value of \$15,993,593. The interest rates on these debentures range from 7<sup>3/4</sup>% to 12%.

	<u>2007</u>	<u>2006</u>
Total debentures owing to A.C.F.A. - Supported	\$ 5,515,632	\$ 7,555,284
- Unsupported	<u>13,473</u>	<u>15,397</u>
	<b><u>\$ 5,529,105</u></b>	<b><u>\$ 7,570,681</u></b>
Less due within one year - Supported	1,733,499	2,041,577
- Unsupported	<u>1,925</u>	<u>1,925</u>
	1,735,424	2,043,502
Long term portion	<u>3,793,681</u>	<u>\$ 5,527,179</u>
	<b><u>\$5,529,105</u></b>	<b><u>\$7,570,681</u></b>

Principal & interest repayments required during each of the next five fiscal years are as follows:

	Principal	Interest	Total
2007-2008	\$1,735,424	\$ 492,018	\$ 2,227,441
2008-2009	1,577,826	333,308	1,911,134
2009-2010	1,080,838	173,988	1,254,826
2010-2011	638,103	79,874	717,977
2011 to maturity	<u>496,914</u>	<u>73,882</u>	<u>570,797</u>
Total	<b><u>\$ 5,529,105</u></b>	<b><u>\$ 1,153,070</u></b>	<b><u>\$ 6,682,175</u></b>

Principal repayments and interest on the above debentures, with the exception of 5 debentures totaling \$13,473 as at August 31, 2007, (2006 - \$15,397) are funded by Alberta Finance.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 13 Long-term Debt continued**

The fair value of these debentures made under the authority of the *Alberta Capital Finance Authority Act* are not reported due to there being no organized financial market for the instruments and it is not practicable within the constraints of timeliness or cost to estimate the fair values with sufficient reliability.

**Note 14 Pension Costs**

The pension expense recorded in these financial statements is equivalent to the Division's annual contributions payable of \$428,177 for the year ended August 31, 2007 (2006 - \$438,183).

The Division has also recorded in these financial statements contributions made by Alberta Education to the Teachers' Retirement Fund in the amount of \$2,649,404 for the year ending August 31, 2007 (2006 - \$2,033,166).

As of December 31, 2006 the Local Authorities Pension Plan reported a deficit of \$746,651,000 (2005 deficit of - \$863,558,000). At August 31, 2006 the Teachers' Retirement Fund reported a deficit of \$6,951,835,000 (2005 - \$6,938,308,000).

**Note 15 Related Party Transactions**

The School Division is controlled by the Government of Alberta and is accounted for on a modified equity basis in the Government of Alberta's financial statements. Northland School Division had the following related party transactions with the Government of Alberta.

	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>2006-2007</b>				
<b>Government of Alberta:</b>				
Education	\$ 232,125	\$12,776,471	\$27,701,904	\$ -
Finance	373,262	5,581	739,987	-
Human Resources/Employment	3,470	-	8,470	-
Children's Services	-	9,265	104,395	-
Other Gov't of Alberta departments	-	-	1,296	-
<b>Other:</b>				
Health authorities	-	-	16,336	352
Post-secondary institutions	1,039	-	-	29,638
Other Alberta school jurisdictions	190	-	-	449,949
<b>TOTAL 2006-2007</b>	<b>\$ 610,086</b>	<b>\$12,791,317</b>	<b>\$31,221,791</b>	<b>\$479,939</b>
<b>TOTAL 2005-2006</b>	<b>\$745,433</b>	<b>\$ 2,833,475</b>	<b>\$30,006,043</b>	<b>\$566,852</b>

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 16 Budget Amounts**

The budget was prepared by the Division's management with Board of Trustees approval given on June 16, 2006.

**Note 17 Economic Dependence on Related Third Party**

Northland School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**Note 18 Remuneration and Monetary Incentives**

Northland School Division has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIPs / Other	Expenses
<b>Chairperson:</b>							
Nosky, Steve	1.0	\$37,770	\$248	\$0			\$38,018
<b>Other Board Members:</b>							
Finch, Nadine	0.91	\$3,180	\$21	\$0			\$3,201
Voyageur, Claire	1.0	\$1,825	\$11	\$0			\$1,836
Anderson, Joanne	1.0	\$4,550	\$84	\$0			\$4,634
Cardinal, Dennis	1.0	\$1,880	\$11	\$0			\$1,891
Alcock, Ivan	1.0	\$3,408	\$22	\$0			\$3,430
Tremblay, Shirley	1.0	\$2,538	\$17	\$0			\$2,555
Peters, Paul	1.0	\$2,270	\$18	\$0			\$2,288
Bartman, Shelley	1.0	\$3,020	\$22	\$0			\$3,042
Cunningham, Keren	1.0	\$4,258	\$48	\$0			\$4,306
Jamieson, David	1.0	\$2,870	\$18	\$0			\$2,888
Felton, Elaine	1.0	\$0	\$0	\$0			\$0
Laderoute, Barb	1.0	\$2,800	\$18	\$0			\$2,818
Gardiner, Louise	0.91	\$1,590	\$10	\$0			\$1,600
Lahr, Herb	0.91	\$2,858	\$18	\$0			\$2,876
Gladue, Norman	1.0	\$5,185	\$108	\$0			\$5,293
Bassett, Frances	1.0	\$15,780	\$712	\$0			\$16,492
Belliveau, Ariane	1.0	\$5,185	\$110	\$0			\$5,295
Alcock, James	1.0	\$4,870	\$103	\$0			\$4,973
Taron, Sheryn	1.0	\$2,145	\$14	\$0			\$2,159
Wogan, Cheryl	1.0	\$5,328	\$88	\$0			\$5,416
Guild, Robin	1.0	\$3,608	\$58	\$0			\$3,666
Moberly, Mike	1.0	\$2,370	\$18	\$0			\$2,388
Rutley, Neil	0.08	\$280	\$2	\$0			\$282
Lamouche, Jesse	0.08	\$458	\$3	\$0			\$461
Anderson, Brenda	0.08	\$290	\$2	\$0			\$292
<b>Subtotal</b>	<b>23.0</b>	<b>\$119,840</b>	<b>\$1,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,620</b>
<b>Superintendent:</b>							
Ramrattan, Annette	1.0	\$132,021	\$25,781	\$0	\$0	\$0	\$157,802
<b>Secretary-Treasurer:</b>							
Guindon, Michel	0.67	\$81,837	\$13,344	\$0	\$0	\$0	\$95,181
<b>Secretary-Treasurer:</b>							
Lethbridge, Leonard	0.33	\$36,288	\$8,829	\$0	\$0	\$0	\$45,117
<b>Certificated Salaries</b>	<b>238.9</b>	<b>\$17,831,894</b>	<b>\$4,688,198</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,520,092</b>
<b>Uncertificated Salaries</b>	<b>271.2</b>	<b>\$8,888,804</b>	<b>\$2,082,154</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,970,958</b>
<b>TOTALS</b>	<b>510.1</b>	<b>\$26,720,782</b>	<b>\$6,836,167</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,556,949</b>

Board members with less than 1 Full Time Equivalent as indicated above had served on the corporate board for part of the fiscal year. The Secretary-Treasurer position was held by two individuals consecutively during the fiscal year.

**NORTHLAND SCHOOL DIVISION NO. 61  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**Note 19 Residential Schools**

A number of claims have been filed against the Government of Canada. The Division has been named as a third party with the Government in these claims in regards to programs offered by the Division from the early 1960's to the early 1970's. In one of the claims the division has been named as a defendant. The Division has entered into an indemnity agreement in which the Province of Alberta has agreed to indemnify Northland School Division for these claims and related costs incurred.

**Note 20 Presentation of Comparative Information**

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

**Note 21 Approval of Financial Statements**

These financial statements were prepared by management and approved by the Board of Trustees on December 14, 2007.

## UNAUDITED SCHEDULES

TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007  
[School Act, Section 276]

**Northland School Division No. 61**

Legal Name of School Jurisdiction

**Bag 1400, 9809 - 77 Avenue, Peace River, AB, T8S 1V2**

Mailing Address

**Telephone (780) 624-2060 Fax (780) 624-5914**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Michel Guindon

Name

"ORIGINAL SIGNED"

Signature

14-Dec-07

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10165-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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<b>SCHEDULE C    ECS to Grade 12 Instruction Programs Expense Details</b>	<b>4</b>
<div style="text-align: center;">2006-2007 Board and System Administration Expenses</div> <b>SCHEDULE D    Under (Over) Maximum Limit</b>	<b>5</b>
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# SCHEDULE A

School Jurisdiction Code

1280

## ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$30,326,534	\$19,371,800	\$3,814,907	\$2,636,353	\$1,467,652	\$3,035,822
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0	\$0	\$0	\$0
(3) Alberta Finance	\$739,987	\$0	\$861,226	\$0	\$0	\$78,761
(4) Other - Government of Alberta	\$119,291	\$119,291	\$0	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$17,356,070	\$11,337,189	\$2,466,383	\$911,450	\$1,188,485	\$1,452,583
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$0	\$0	\$0	\$0	\$0	\$0
(10) Transportation fees	\$0	\$0	\$0	\$0	\$0	\$0
(11) Other sales and services	\$377,638	\$81,081	\$103,854	\$5,821	\$19,063	\$167,219
(12) Investment income	\$506,493	\$367,334	\$32,512	\$0	\$0	\$106,647
(13) Gifts and donations	\$310,740	\$310,740	\$0	\$0	\$0	\$0
(14) Rentals of facilities	\$819,593	\$0	\$10,800	\$0	\$0	\$808,793
(15) Net school generated funds	\$496,000	\$496,000	\$0	\$0	\$0	\$0
(16) Gains on disposal of capital assets	\$3,481	\$0	\$1,881	\$0	\$1,580	\$0
(17) Amortization of capital allocations	\$2,297,304	\$53,656	\$2,121,811	\$0	\$0	\$121,837
(18) TOTAL REVENUES	\$53,353,111	\$32,137,691	\$9,213,374	\$3,553,624	\$2,676,780	\$5,771,642
<b>EXPENSES</b>						
(19) Certificated salaries	\$17,964,008	\$16,479,070	\$0	\$0	\$268,804	\$1,216,134
(20) Certificated benefits	\$4,723,948	\$4,367,463	\$0	\$0	\$59,609	\$296,874
(21) Non-certificated salaries and wages	\$9,888,754	\$5,104,110	\$2,039,906	\$733,711	\$821,854	\$1,089,173
(22) Non-certificated benefits	\$2,106,221	\$1,149,236	\$451,140	\$148,530	\$208,581	\$148,734
(23) SUB - TOTAL	\$34,682,929	\$27,089,878	\$2,491,046	\$882,241	\$1,456,848	\$2,750,915
(24) Services, contracts & supplies	\$12,321,848	\$3,704,324	\$3,368,890	\$2,147,283	\$1,114,730	\$1,986,421
(25) Cost recoveries between programs	\$0	\$0	(\$226,840)	\$0	\$0	\$226,840
(26) Net school generated funds	\$496,000	\$496,000	\$0	\$0	\$0	\$0
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$2,297,304	\$53,656	\$2,121,811	\$0	\$0	\$121,837
(28) Unsupported	\$1,233,822	\$396,428	\$123,777	\$360,772	\$118,888	\$233,957
(29) Total Amortization	\$3,531,126	\$450,084	\$2,245,588	\$360,772	\$118,888	\$355,794
Interest on capital debt						
(30) Supported	\$739,987	\$0	\$861,226	\$0	\$0	\$78,761
(31) Unsupported	\$1,649	\$0	\$0	\$0	\$0	\$1,649
(32) Other interest charges	\$9,214	\$1,573	\$0	\$0	\$6,708	\$833
(33) Losses on disposal of capital assets	\$2,583	\$1,849	\$26	\$708	\$0	\$0
(34) TOTAL EXPENSES	\$51,785,136	\$31,753,708	\$8,539,936	\$3,391,004	\$2,699,174	\$5,401,313
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,567,975	\$383,982	\$873,438	\$162,620	(\$22,394)	\$370,329

### SCHEDULE B ALBERTA EDUCATION REVENUE 2006-2007

	TOTAL
Base Funding	\$8,930,891
Additional Funding for Differential Cost Factors	\$15,245,534
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$97,774
Student Health Initiative (SHI)	\$12,738
Alberta Initiative for School Improvement (AISI)	\$403,848
SuperNet Services	\$141,127
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$31,878
Infrastructure Maintenance Renewal (IMR)	\$384,872
Other Funding from Alberta Education (describe): School Food Services, TRF, one-time m	\$5,967,878
Total Alberta Education Revenues	\$30,326,534

### SCHEDULE C ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$3,031,128	\$1,181,858	\$810,821		\$0	\$50,520	\$5,054,232
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$1,940,478	\$249,035	\$0		\$0		\$2,189,513
ECS Program Unit (PUF)	\$118,939	\$399,431	\$82,690		\$0		\$579,060
Severe Disabilities (Gr 1-12)	\$1,482,480	\$1,411,009	\$341,601		\$0		\$3,245,180
English as a Second Language (ESL)	\$807,963	\$151,378	\$75,699		\$0		\$935,030
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$231,847	\$458,855	\$47,717		\$0		\$738,219
Alberta Initiative for School Improvement	\$58,021	\$12,080	\$341,170	\$1,167	\$0		\$410,418
Student Health Initiative	\$0	\$10,720	\$4,482		\$0		\$15,202
SuperNet Service			\$158,905		\$0		\$158,905
Class Size Initiative	\$44,343	\$0	\$58,448	\$0			\$102,791
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$13,325,535	\$2,399,202	\$1,849,221	\$183,528	\$0	\$381,874	\$19,425,159
TOTAL EXPENSES	\$20,848,532	\$6,253,348	\$3,550,854	\$184,693	\$0	\$442,203	\$31,753,709

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	30.1	7.7
ECS Program Unit (PUF)	2.2	12.5
Severe Disabilities (Gr 1-12)	24.9	42.8

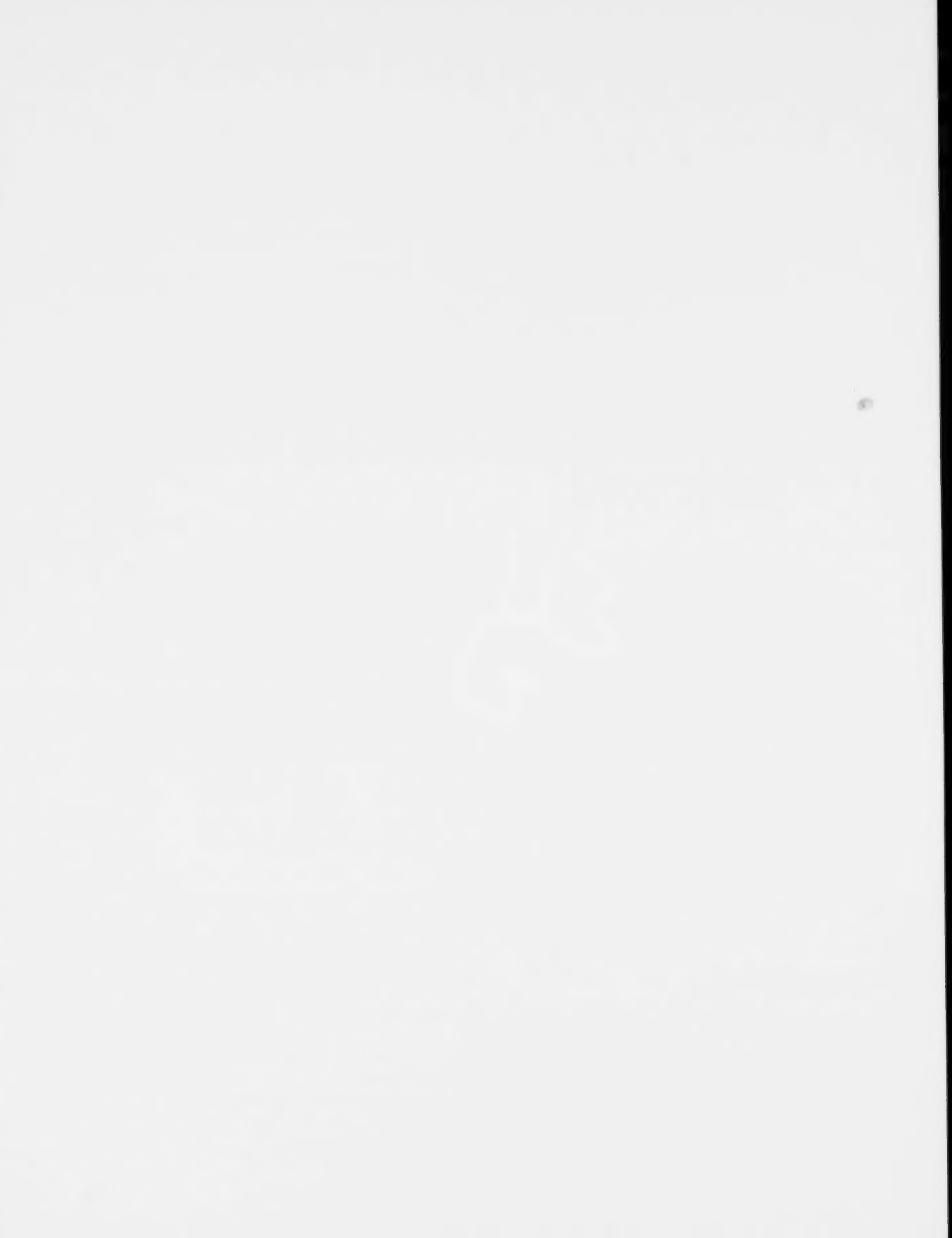


**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$51,785,138
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,998,359
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,998,359
Less: 2006/2007 Board and System Administration expenses	-\$2,699,174
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$299,185

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$293,024		
<b>Sources of School Generated Funds:</b>			
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$335,934	\$116,720	\$219,214
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$329,648	\$0	\$329,648
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	<b>\$665,582</b>	<b>\$116,720</b>	<b>\$548,862</b>
<b>Net SGF Available</b>	<b>\$841,886</b>		
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities	\$384,941		
School site beautification	\$0		
Field Trips	\$111,059		
Equipment	\$0		
Family literacy and other community resources	\$0		
Other (describe):	\$0		
<b>Total Uses of Net SGF (Note 2)</b>	<b>\$496,000</b>		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	<b>\$345,886</b>		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>			



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**CONSEIL SCOLAIRE DU NORD-OUEST No. 1**

Legal Name of School Jurisdiction

**C.P. 1220, ST. ISIDORE, ALBERTA T0H 3B0**

Mailing Address

**(780)624-8855 (780)624-8554**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

CONSEIL SCOLAIRE DU NORD-OUEST No. 1

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**CHANTAL MONFETTE**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**DOLORESE NOLETTE**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**ANITA BELZILE**

Name

**"ORIGINAL SIGNED"**

Signature

**5-Dec-07**

Board-approved Release Date

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# SYLVAIN & DORAN

Certified General Accountants

Michel A. Sylvain, C.G.A.\*  
Jean R. Sylvain, C.G.A.\*  
Gary Doran, C.G.A.

Box 5  
Falher, Alberta T0H 1M0  
Telephone: (780) 837-2401  
Facsimile: (780) 837-3434  
Email: sylvdora@telusplanet.net

## AUDITORS' REPORT

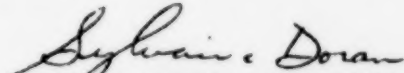
To the Board of Trustees,  
REGIONAL AUTHORITY OF THE NORTHWEST  
FRANCOPHONE EDUCATION REGION NO. 1

We have audited the statement of financial position of the Regional Authority of THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Falher, Alberta  
November 7, 2007

  
CERTIFIED GENERAL ACCOUNTANTS

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and temporary investments	\$3,699,984	\$1,676,014
Accounts receivable (net after allowances)	\$415,649	\$256,498
Prepaid expenses	\$76,634	\$81,648
Other current assets	\$26,203	\$23,078
<b>Total current assets</b>	<b>\$4,218,470</b>	<b>\$2,019,238</b>
School generated assets	\$88,492	\$94,480
Trust assets	\$39,880	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$12,395	\$12,140
<b>Capital assets</b>		
Land	\$175,000	\$175,000
Buildings	\$9,652,723	
Less: accumulated amortization	(\$1,675,740)	\$7,976,983
Equipment	\$122,440	
Less: accumulated amortization	(\$102,513)	\$19,927
Vehicles	\$287,351	
Less: accumulated amortization	(\$237,293)	\$50,058
<b>Total capital assets</b>	<b>\$8,221,968</b>	<b>\$6,985,525</b>
<b>TOTAL ASSETS</b>	<b>\$12,581,205</b>	<b>\$9,111,383</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$242,267	\$108,104
Deferred revenue	\$185,291	\$77,297
Deferred capital allocations	\$1,763,794	\$266,493
Current portion of all long term debt	\$26,383	\$26,382
<b>Total current liabilities</b>	<b>\$2,217,735</b>	<b>\$478,276</b>
School generated liabilities	\$88,492	\$94,480
Trust liabilities	\$39,880	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
<b>Long term debt</b>		
Supported: Debentures and other supported debt	\$85,898	\$92,290
Less: Current portion of supported debt	(\$26,383)	(\$26,382)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$7,655,407	\$6,398,301
<b>Total long term liabilities</b>	<b>\$7,823,294</b>	<b>\$6,558,679</b>
<b>TOTAL LIABILITIES</b>	<b>\$10,041,029</b>	<b>\$7,036,955</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$463,598	\$467,020
Operating Reserves	\$1,215,660	\$752,248
Accumulated Operating Surplus (Deficit)	\$1,679,297	\$1,219,268
Investment in capital assets	\$500,663	\$494,944
Capital Reserves	\$360,216	\$360,216
<b>Total Capital Funds</b>	<b>\$660,879</b>	<b>\$655,160</b>
<b>Total net assets</b>	<b>\$2,540,176</b>	<b>\$2,074,428</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$12,581,205</b>	<b>\$9,111,383</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note 17)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$4,911,783	\$4,967,232	\$4,514,480
Federal Government and/or First Nations	\$226,897	\$57,197	\$219,783
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$14,860	\$15,585	\$14,221
Transportation fees	\$0	\$0	\$0
Other sales and services	\$11,392	\$6,962	\$21,111
Investment income	\$48,088	\$2,000	\$35,752
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$6,250	\$0	\$0
Net school generated funds	\$98,462	\$33,500	\$42,245
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$251,573	\$199,741	\$180,395
<b>Total Revenues</b>	<b>\$5,568,885</b>	<b>\$5,282,217</b>	<b>\$5,027,987</b>
<b>EXPENSES</b>			
Certificated salaries	\$2,100,515	\$2,038,425	\$1,889,386
Certificated benefits	\$258,812	\$251,759	\$230,399
Non-certificated salaries and wages	\$645,043	\$682,550	\$558,449
Non-certificated benefits	\$101,985	\$127,787	\$92,262
Services, contracts and supplies	\$1,604,363	\$1,709,720	\$1,360,144
Net school generated funds	\$98,462	\$33,500	\$42,245
Capital and debt services			
Amortization of capital assets			
Supported	\$251,573	\$199,741	\$180,395
Unsupported	\$30,618	\$17,498	\$37,720
Total Amortization of capital assets	\$282,191	\$217,239	\$218,115
Interest on capital debt			
Supported	\$10,278	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$10,278	\$0	\$0
Other interest charges	\$1,488	\$3,500	\$1,281
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$5,103,137</b>	<b>\$5,044,460</b>	<b>\$4,392,281</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$465,748</b>	<b>\$237,757</b>	<b>\$635,706</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$465,748</b>	<b>\$237,757</b>	<b>\$635,706</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note) 18(Restated)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$465,748	\$635,706
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$251,573)	(\$180,395)
Total amortization expense	\$282,191	\$218,115
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$157,151)	\$24,417
Prepays and other current assets	(\$18,111)	\$11,918
Long term accounts receivable	\$0	\$0
Long term investments	(\$255)	(\$174)
Payables and accrued liabilities	\$134,163	(\$119,961)
Deferred revenue	\$107,994	(\$117,551)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$563,006	\$472,075
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets	\$0	\$0
Land	(\$1,482,297)	(\$5,116)
Buildings	\$0	(\$22,008)
Equipment	(\$36,337)	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,518,634)	(\$27,122)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$2,979,598	\$271,609
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$26,382)	\$0
Add back: supported portion	\$26,382	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$2,979,598	\$271,609
Net sources (uses) of cash during year	\$2,023,970	\$716,562
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$1,676,014	\$959,452
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$3,699,984	\$1,676,014

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$2,074,428	\$494,944	\$467,020	\$752,248	\$360,216
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$2,074,428	\$494,944	\$467,020	\$752,248	\$360,216
Excess(def) of revenue over expenses	\$465,748		\$465,748		
Board funded capital transactions		\$36,337	(\$36,337)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$282,191)	\$282,191		
Amortization of capital allocations		\$251,573	(\$251,573)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$463,451)	\$463,451	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$2,540,176	\$500,663	\$463,598	\$1,215,699	\$360,216

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$266,493	\$6,398,301
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$266,493	\$6,398,301
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$2,919,003	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$60,595	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$26,382
Expended capital allocations - current year	(\$1,482,297)	\$1,482,297
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$251,573
Balance at August 31, 2007	\$1,763,794	\$7,655,407

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE  
EDUCATION REGION NO. 1  
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS  
For the year ended August 31, 2007**

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**1. AUTHORITY AND PURPOSE**

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The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**a) Revenue Recognition**

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increases in net assets in the period which they are received or receivable.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE  
EDUCATION REGION NO. 1  
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't**

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**b) Capital Assets**

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings - masonry and cement	2.5%
- wood frame or renovations	4.0%
Building site improvements	5.0%
Vehicles & buses	10.0%
Equipment	20.0%

Only capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**c) School Generated Funds**

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

**d) Vacation Pay**

Vacation pay is accrued in the period in which the employee earns the benefit.

**e) Pensions**

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Regional Authority of the Northwest Francophone Education Region No. 1 does not make pension contributions for certificated staff.

**f) Inventories**

Inventories are recorded at the lesser of cost or net realizable value.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2007**

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**g) Prepaid Expenses**

Certain expenditures incurred and paid before the close of the school year are specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

**h) Contributed Services**

Volunteers contribute a considerable number of hours per year to schools, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

**i) Financial Instruments**

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

**j) Operating and Capital Reserves**

Reserves are established and the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

**k) Investments**

Short-term investments are recorded at the lower of cost and market value. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**3. ACCOUNTS RECEIVABLE**

	2007	2006
	\$	\$
Province of Alberta	189,898	103,393
Province of Alberta - federal language program	83,180	94,590
Federal Government	113,465	29,550
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other	29,106	30,965
	415,649	258,498

**4. CAPITAL ASSETS AND ACCUMULATED AMORTIZATION**

	2006			2007
	\$	\$	\$	\$
<b>CAPITAL ASSETS</b>	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Cost</b>
Land	175,000	-	-	175,000
Buildings	8,170,426	1,482,297	-	9,652,723
Equipment	122,440	-	-	122,440
Vehicles	288,950	36,337	37,936	287,351
	8,756,816	1,518,634	37,936	10,237,514
<b>ACCUMULATED AMORTIZATION</b>	<b>Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b>
Buildings	1,415,448	260,292	-	1,675,740
Equipment	91,388	11,125	-	102,513
Vehicles	264,455	10,774	37,936	237,293
	1,771,291	282,191	37,936	2,015,546
Net book value	6,985,525			8,221,968

**5. BANK INDEBTEDNESS**

The jurisdiction has negotiated an overdraft protection agreement in the amount of \$140,000 that bears interest at the bank prime rate + 1.0%. This overdraft agreement is secured by funds held in savings account. There was no balance outstanding on the overdraft agreement at August 31, 2007.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**6. ACCOUNTS PAYABLE AND LIABILITIES**

	2007	2006
	\$	\$
Province of Alberta	179	6,350
Federal Government	-	-
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	3,302	-
Other Trade Payables and Accrued Liabilities	238,786	101,754
	242,267	108,104

**7. DEFERRED REVENUE**

	2007	2006
	\$	\$
Alberta Initiative for School Improvement	6,972	-
Video-conferencing grant	-	26,937
Lease support funding	9,164	-
Infrastructure Maintenance Program	28,928	28,928
Infrastructure Maintenance Renewal	138,977	21,432
Other	1,250	-
	185,291	77,297

**8. OTHER REVENUE FROM ALBERTA EDUCATION**

	2007	2006
	\$	\$
Class size reduction - one time funding	-	3,184
Classroom resources - one time funding	-	6,131
Video-conferencing grant	26,938	35,044
	26,938	44,359



**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE  
EDUCATION REGION NO. 1  
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**

For the year ended August 31, 2007

**9. TRUST ASSET AND LIABILITIES**

Beginning in September of 2006, this jurisdiction has assumed administrative duties of C.E.F.F.A. (Conseil Pour l'Education de la Foi Catholique Chez les Francophones de l'Alberta), a non-profit organization. The end of year balance represents cash that is held in trust by the jurisdiction.

	2007	2006
	\$	\$
Balance, beginning of year	-	-
Add: transfer from previous sponsoring jurisdiction	4,071	-
received from member organizations	72,245	-
Less: disbursements	(36,436)	-
Balance, end of year	39,880	-

**10. LONG TERM DEBT**

a) Debenture debt - supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments are due over the next five years and beyond are as follows:

	Principal	Interest	Total
	\$	\$	\$
2007-2008	26,383	7,561	33,944
2008-2009	26,383	4,544	30,927
2009-2010	13,132	1,527	14,659
2010-2011	-	-	-
2011 to maturity	-	-	-
Total	65,898	13,632	79,530

b) Capital leases - unsupported

Currently, there is no capital leases held by the jurisdiction.

**11. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally-restricted capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.



**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**12. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

**13. INTERNALLY RESTRICTED NET ASSETS**

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

	2006 Balance	Appropriated	Utilized	2007 Balance
	\$	\$	\$	\$
Operating				
School - instruction	570,437	254,451	-	824,888
School - operation and maintenance	50,000	12,000	-	62,000
System administration	-	-	-	-
Transportation	113,000	197,000	-	310,000
External services	18,811	-	-	18,811
	752,248	463,451	-	1,215,699
Capital				
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	142,172	-	-	142,172
Vehicles	218,044	-	-	218,044
	360,216	-	-	360,216
	1,112,464	463,451	-	1,575,915

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE  
EDUCATION REGION NO. 1  
AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

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**14. COMMITMENTS**

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- a) An operating lease agreement for a Ricoh photocopier was signed in March 2006. The monthly lease payments of \$206.92 plus G.S.T. total \$10,528.32 over a forty-eight month period (last payment due June, 2010).
- b) An operating lease agreement for office space was signed in October, 2005. The annual lease payments of \$16,000 total \$48,000 over a three year period (lease in effect to August 31, 2008).
- c) The jurisdiction is committed to further capital expenditures for the construction of a new school in Grande Prairie for approximately \$9,751,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.
- d) A total amount of \$192,842 is externally restricted. The amount has been pledged as security for bank letters of guarantee to the City of Grande Prairie expiring July and August of 2008. These guarantees were required for the construction and site development of a new school.

**15. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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The Regional Authority of the Northwest Francophone Education Region No. 1 primary source of income is from the Alberta Government. The Regional Authority's ability to continue viable operations is dependent on this funding.

**16. RELATED PARTY TRANSACTIONS**

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Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other other school jurisdictions of Alberta.

2006-2007	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	81,626	179	4,856,203	-
Infrastructure & Transp.	107,372	-	44,382	-
Finance	-	-	10,278	-
Other Alta Gov't Depts.	900	-	900	-
Other related parties	4,457	3,302	-	-
<b>TOTAL 2006-2007</b>	<b>194,355</b>	<b>3,481</b>	<b>4,911,763</b>	<b>-</b>
<b>TOTAL 2005-2006</b>	<b>107,246</b>	<b>6,631</b>	<b>4,514,480</b>	<b>-</b>

SYLVAIN & DORAN

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2007**

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**17. BUDGET AMOUNTS**

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The revised budget was prepared by the school jurisdiction management with Board of Trustees approval on November 29, 2006. It is presented for information purposes only and has not been audited.

**18. COMPARATIVE FIGURES**

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The comparative figures have been reclassified where necessary to conform to actual 2007 presentation. Transfer of school building, assumption of debenture debt on transfer figures have been omitted from the 2006 cash flow statement because the transfer was offsetting in nature and had no impact on 2005/06 cash flows.

**REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE**  
**EDUCATION REGION NO. 1**  
**AUDITORS' NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**19. RENUMERATION AND MONETARY INCENTIVES**

The Regional Authority of Northwest Francophone Education Region No. 1 had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's /Other	Total	Expenses
<b>Chairperson:</b>								
Chantal Monfette	1.0	\$8,245	\$44	\$0			\$8,289	\$4,176
<b>Other Members:</b>								
Claire Anctil	1.0	\$6,890	\$2,350	\$0			\$9,240	\$7,430
Wanda Laurin	1.0	\$2,590	\$44	\$0			\$2,634	\$1,240
Mario Paradis	1.0	\$5,700	\$44	\$0			\$5,744	\$7,322
Kay Glenn	1.0	\$3,430	\$44	\$0			\$3,474	\$5,696
<b>Subtotal</b>	<b>5.0</b>	<b>\$26,855</b>	<b>\$2,526</b>	<b>\$0</b>			<b>\$29,381</b>	<b>\$25,864</b>
Superintendent	1.0	\$119,493	\$11,144	\$0	\$0	\$0	\$130,637	\$20,306
Secretary/Treasurer	0.6	\$39,884	\$8,401	\$0	\$0	\$0	\$48,285	\$2,419
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	29.2	\$1,981,022	\$247,668	\$0	\$0	\$0	\$2,228,690	
Uncertificated Salaries	17.5	\$578,304	\$91,048	\$0	\$0	\$0	\$669,352	
<b>TOTALS</b>		<b>\$2,745,558</b>	<b>\$360,787</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,106,345</b>	

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**CONSEIL SCOLAIRE NORD-OUEST No.1**

Legal Name of School Jurisdiction

**C.P. 1220, ST. ISIDORE, ALBERTA T0H 3B0**

Mailing Address

**(780)624-8855      (780)624-8554**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**ANITA BELZILE**

Name

**"ORIGINAL SIGNED"**

Signature

**5-Dec-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
 8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L3  
 EMAIL: Cindy.Jarry@gov.ab.ca  
 PHONE: (780) 427-7782 FAX: (780) 422-8898

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 8050

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$4,856,203	\$3,241,156	\$496,408	\$894,156	\$424,483	\$0
(2) Alberta Infrastructure & Transportation	\$44,382	\$0	\$44,382			
(3) Alberta Finance	\$10,278		\$10,278			\$0
(4) Other - Government of Alberta	\$900	\$0	\$900	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$226,697	\$226,697	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$14,660	\$14,660				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$11,392	\$1,949	\$1,592	\$7,851	\$0	\$0
(12) Investment income	\$48,088	\$48,088	\$0	\$0	\$0	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$6,250	\$0	\$6,250	\$0	\$0	\$0
(15) Net school generated funds	\$98,462	\$98,462			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$251,573	\$0	\$248,626	\$2,947		\$0
(18) TOTAL REVENUES	\$5,568,885	\$3,631,012	\$808,436	\$704,954	\$424,483	\$0
<b>EXPENSES</b>						
(19) Certificated salaries	\$2,100,515	\$1,981,022			\$119,493	\$0
(20) Certificated benefits	\$258,812	\$247,698			\$11,144	\$0
(21) Non-certificated salaries and wages	\$645,043	\$454,445	\$29,154	\$44,326	\$117,118	\$0
(22) Non-certificated benefits	\$101,985	\$70,126	\$8,340	\$5,693	\$17,826	\$0
(23) SUB - TOTAL	\$3,106,355	\$2,753,261	\$37,494	\$50,019	\$265,581	\$0
(24) Services, contracts & supplies	\$1,604,363	\$513,098	\$488,328	\$446,626	\$156,311	\$0
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$98,462	\$98,462				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$251,573	\$0	\$248,626	\$2,947	\$0	\$0
(28) Unsupported	\$30,618	\$11,125	\$11,666	\$7,827	\$0	\$0
(29) Total Amortization	\$282,191	\$11,125	\$260,292	\$10,774	\$0	\$0
Interest on capital debt						
(30) Supported	\$10,278	\$0	\$10,278	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$1,488	\$0	\$0	\$0	\$1,488	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$5,103,137	\$3,375,946	\$796,392	\$507,419	\$423,380	\$0
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$465,748	\$255,066	\$12,044	\$197,535	\$1,103	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$1,707,134
Additional Funding for Differential Cost Factors	\$3,012,082
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$45,503
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISi)	\$29,493
SuperNet Services	\$31,382
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$3,661
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (describe) VIDEOCONFERENCING	\$26,938
Total Alberta Education Revenues	\$4,856,203

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$277,248	\$238,150	\$206,995		\$0	\$4,401	\$724,794
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$118,327	\$0	\$0		\$0		\$118,327
ECS Program Unit (PUP)	\$0	\$42,212	\$9,792		\$0		\$52,004
Severe Disabilities (Gr 1-12)	\$72,009	\$80,773	\$22,181		\$0		\$154,963
English as a Second Language (ESL)	\$32,840	\$0	\$0		\$0		\$32,840
French Language & Francisation	\$91,341	\$0	\$0		\$0		\$91,341
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$25,531	\$0	\$3,992	\$0	\$0		\$29,493
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$24,980		\$0		\$24,980
Class Size Initiative	\$47,509	\$0	\$0	\$0	\$0		\$47,509
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$1,584,095	\$185,436	\$174,493	\$70,895	\$0	\$105,196	\$2,099,895
TOTAL EXPENSES	\$2,228,690	\$524,571	\$442,403	\$70,895	\$0	\$109,587	\$3,375,946

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	1.8	0.0
ECS Program Unit (PUP)	0.0	1.3
Severe Disabilities (Gr 1-12)	0.8	2.5



**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$4,183,137
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 8%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$255,157
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	298
	\$424,483
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$424,483
Less: 2006/2007 Board and System Administration expenses	-\$423,380
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$1,103

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$94,480
<b>Sources of School Generated Funds:</b>	
Fundraising activities	\$66,272
Student fees (Non-Instructional) (Note 1)	\$80,772
Donations and grants to schools	\$14,214
Other (describe):	\$0
<b>Net Additions to SGF</b>	\$161,258
<b>Net SGF Available</b>	\$186,954
<b>Uses of Net School Generated Funds:</b>	
Extra-curricular activities	\$30,659
School site beautification	\$0
Field Trips	\$33,319
Equipment	\$10,033
Family literacy and other community resources	\$4,461
Other (describe): GENERAL SCHOOL EXPENSES	\$19,960
<b>Total Uses of Net SGF (Note 2)</b>	\$98,462
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$88,492
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>	



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Palliser Regional Division No. 26**

Legal Name of School Jurisdiction

**3305 - 18th Avenue North Lethbridge, Alberta, T1H 5S1**

Mailing Address

**Phone: (403) 328-4111 Fax: (403) 380-6890**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Palliser Regional Division No. 26  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**Mr. Donald Zech

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**Mr. Kevin Gietz

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**Mr. Laurie Marston

Name

"ORIGINAL SIGNED"

Signature

26-Nov-07

Board-approved Release Date

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**BDO Dunwoody LLP**  
Chartered Accountants  
and Advisors

200 Southland Terrace  
220-3rd Avenue South  
Lethbridge Alberta Canada T1J 0G9  
Telephone: (403) 328-5292  
Fax: (403) 328-9534  
www.bdo.ca

## **AUDITORS' REPORT**

We have audited the statement of financial position of Palliser Regional Division No. 26 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta  
November 5, 2007

*BDO Dunwoody LLP*  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and temporary investments	\$7,935,524	\$5,004,627
Accounts receivable (net after allowances)	\$720,485	\$1,297,808
Prepaid expenses	\$980,435	\$147,709
Other current assets	\$14,596	\$98,903
<b>Total current assets</b>	<b>\$9,651,040</b>	<b>\$6,549,047</b>
School generated assets	\$790,134	\$718,670
Trust assets	\$197,927	\$165,127
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
<b>Capital assets</b>		
Land	\$340,000	\$340,000
Buildings	\$43,340,911	
Less: accumulated amortization	(\$20,429,011)	\$22,911,900
Equipment	\$2,622,923	\$23,803,103
Less: accumulated amortization	(\$2,207,591)	
Vehicles	\$6,943,234	\$415,332
Less: accumulated amortization	(\$4,320,094)	\$838,408
<b>Total capital assets</b>	<b>\$26,290,372</b>	<b>\$2,622,866</b>
<b>TOTAL ASSETS</b>	<b>\$36,929,473</b>	<b>\$27,804,377</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,145,498	\$1,919,819
Deferred revenue	\$1,313,033	\$599,893
Deferred capital allocations	\$775,000	\$12,000
Current portion of all long term debt	\$395,281	\$402,796
<b>Total current liabilities</b>	<b>\$4,628,812</b>	<b>\$2,934,508</b>
School generated liabilities	\$790,134	\$718,670
Trust liabilities	\$197,927	\$165,127
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
<b>Long term debt</b>		
Supported: Debentures and other supported debt	\$3,481,134	\$3,883,931
Less: Current portion of supported debt	(\$395,281)	(\$402,796)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$17,098,967	\$17,866,934
<b>Total long term liabilities</b>	<b>\$21,172,881</b>	<b>\$22,231,866</b>
<b>TOTAL LIABILITIES</b>	<b>\$25,801,693</b>	<b>\$25,166,374</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$894,429	\$175,000
Operating Reserves	\$3,606,855	\$3,065,921
Accumulated Operating Surplus (Deficit)	\$4,501,284	\$3,240,921
Investment in capital assets	\$5,710,271	\$5,855,283
Capital Reserves	\$916,225	\$774,643
<b>Total Capital Funds</b>	<b>\$19,629,064</b>	<b>\$18,011,768</b>
<b>Total net assets</b>	<b>\$11,127,780</b>	<b>\$9,870,847</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$36,929,473</b>	<b>\$35,037,221</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$40,980,742	\$38,069,356	\$35,635,000
Federal Government and/or First Nations	\$430,697	\$446,512	\$431,438
Other Alberta school authorities	\$25,983	\$7,500	\$15,046
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$9,587	\$9,000	\$9,000
Instruction resource fees	\$228,988	\$320,082	\$271,855
Transportation fees	\$94,339	\$84,300	\$28,184
Other sales and services	\$499,442	\$36,500	\$424,189
Investment income	\$347,575	\$146,000	\$253,929
Gifts and donations	\$94,306	\$244,943	\$51,584
Rentals of facilities	\$399,808	\$270,995	\$391,463
Net school generated funds	\$268,959	\$360,000	\$232,077
Gains on disposal of capital assets	\$15,338	\$30,000	\$10,700
Amortization of capital allocations	\$1,259,530	\$1,258,604	\$1,291,869
<b>Total Revenues</b>	<b>\$44,655,294</b>	<b>\$41,283,792</b>	<b>\$39,047,233</b>
<b>EXPENSES</b>			
Certificated salaries	\$20,035,362	\$19,758,926	\$15,979,102
Certificated benefits	\$2,258,901	\$2,371,071	\$1,801,575
Non-certificated salaries and wages	\$8,128,172	\$7,722,269	\$8,058,403
Non-certificated benefits	\$1,946,090	\$1,848,764	\$1,585,354
Services, contracts and supplies	\$8,380,122	\$6,281,109	\$8,002,671
Net school generated funds	\$268,959	\$360,000	\$232,077
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,259,530	\$1,258,604	\$1,291,869
Unsupported	\$734,767	\$617,557	\$725,927
<b>Total Amortization of capital assets</b>	<b>\$1,994,297</b>	<b>\$1,876,161</b>	<b>\$2,017,796</b>
Interest on capital debt			
Supported	\$357,607	\$378,194	\$399,070
Unsupported	\$0	\$0	\$6,221
<b>Total Interest on capital debt</b>	<b>\$357,607</b>	<b>\$378,194</b>	<b>\$405,291</b>
Other interest charges	\$18,851	\$0	\$17,583
Losses on disposal of capital assets	\$0	\$0	\$58,635
<b>Total Expenses</b>	<b>\$43,398,361</b>	<b>\$40,596,494</b>	<b>\$38,158,487</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,256,933	\$687,298	\$888,746
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,256,933</b>	<b>\$687,298</b>	<b>\$888,746</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,256,933	\$888,746
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,259,530)	(\$1,291,869)
Total amortization expense	\$1,994,297	\$2,017,796
Gains on disposal of capital assets	(\$15,338)	(\$10,700)
Losses on disposal of capital assets	\$0	\$58,635
Changes in accrued accounts:		
Accounts receivable	\$577,323	\$861,136
Prepays and other current assets	(\$748,419)	(\$34,991)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$225,679	\$802,008
Deferred revenue	\$713,140	(\$40,084)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$2,744,085</b>	<b>\$3,250,678</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$90,538)	(\$54,557)
Equipment	(\$44,973)	(\$537,579)
Vehicles	(\$627,279)	(\$398,267)
Net proceeds from disposal of capital assets	\$97,835	\$10,500
Other (describe) Vulcan Prairieview Final Cost Adjustment	(\$52,645)	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$717,600)</b>	<b>(\$979,903)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$904,412	\$66,758
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$402,797)	(\$576,725)
Add back: supported portion	\$402,797	\$417,989
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$904,412</b>	<b>(\$91,978)</b>
<b>Net sources (uses) of cash during year</b>	<b>\$2,930,897</b>	<b>\$2,178,797</b>
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$5,004,627	\$2,825,830
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$7,935,524	\$5,004,627

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$9,870,847	\$5,855,283	\$175,000	\$3,065,921	\$774,643
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$9,870,847	\$5,855,283	\$175,000	\$3,065,921	\$774,643
Excess(def) of revenue over expenses	\$1,256,933		\$1,256,933		
Board funded capital transactions		\$672,252	\$0	(\$44,973)	(\$627,279)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,994,297)	\$1,994,297		
Amortization of capital allocations		\$1,259,530	(\$1,259,530)		
Disposal of unsupported capital assets	\$0	(\$82,497)	(\$15,338)		\$97,835
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$585,907)	\$585,907	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$671,026)		\$671,026
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$11,127,780	\$5,710,271	\$894,429	\$3,606,855	\$916,225

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$12,000	\$17,866,934
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$12,000	\$17,866,934
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$904,412	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$402,797
Expended capital allocations - current year	(\$141,412)	\$141,412
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$52,646
Capital allocations amortized to revenue		\$1,259,530
Balance at August 31, 2007	\$775,000	\$17,098,967

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**1. AUTHORITY AND PURPOSE**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

**a) Revenue Recognition** – Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year to which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received or receivable. Contributions in kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

**b) Capital Assets** – Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

- |                           |        |
|---------------------------|--------|
| ▪ Buildings               | 2.5-4% |
| ▪ Vehicles & Buses        | 10-20% |
| ▪ Equipment & Furnishings | 10-20% |

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

**c) School-Generated Funds** – These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g., yearbook sales, graduation fees, field trip fees, etc.).

**d) Vacation Pay** – Vacation pay is accrued in the period in which the employee earns the benefit.

**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

- e) **Pensions** – Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Palliser School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan – the Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$270,237 for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

- f) **Inventories** – Inventories are recorded at the lesser of cost or net realizable value.
- g) **Prepaid Expenses** – Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.
- h) **Contributed Services** – Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school-generated funds. Because of the difficulty of compiling these hours, and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.
- i) **Financial Instruments** – The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.
- j) **Operating and Capital Reserves** – Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.
- k) **Employee Future Benefits** – The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2007, the recorded obligation is \$146,086 (2006 \$146,086).
- l) **Investments** – Short-term investments are valued at the lower of cost or market. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**3. CASH**

The jurisdiction acts as the Banker Board for the Student Health Partnership. At August 31, 2007, Student Health Partnership funds of \$1,208,764 were included in Cash and Temporary Investments. As such these funds are restricted.

**4. ACCOUNTS RECEIVABLE**

	2007	2006
Alberta Education	\$ 317,124	\$ -
Alberta Infrastructure and Transportation	-	818,914
Alberta Finance	173,204	193,790
Federal Government	93,184	84,490
First Nations	-	92,056
Other	136,973	108,558
	<u>\$ 720,485</u>	<u>\$ 1,297,808</u>

**5. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the jurisdiction.

	2007	2006
Scholarship Trusts	<u>\$ 197,927</u>	<u>\$ 165,127</u>

The jurisdiction also holds \$552,759 (2006 - \$311,912) of Student Health Initiative (SHI Banker Board) funds that are presented within Cash and Accounts payable and accrued liabilities.

**6. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2007	2006
Alberta Finance	\$ 173,204	\$ 193,790
Other Trade Payables & Accrued Liabilities	1,972,294	1,726,029
	<u>\$ 2,145,498</u>	<u>\$ 1,919,819</u>

**8. DEFERRED REVENUE**

	2007	2006
Alberta Initiative for School Improvement	\$ 66,915	\$ 153,557
Infrastructure Maintenance Program	365,425	-
Infrastructure Plant Operations & Maintenance Grant	6,102	6,102
Video - Conferencing	-	24,459
Technology One-Time Grant	53,710	90,000
One to One Grant	32,041	-
Class Size Initiative Funding	687,582	224,489
2004-2005 One-Time Textbook Grant	31,363	38,674
Other	69,895	62,612
	<u>\$ 1,313,033</u>	<u>\$ 599,893</u>

**9. LONG-TERM DEBT**

- a) **Debenture Debt – Supported** – The debenture debt bears interest at rates varying between 6.875% and 11.625%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

Year	Principle	Interest	Total
2008	\$ 395,281	\$ 338,043	\$ 733,324
2009	386,253	298,597	685,450
2010	382,704	260,116	642,820
2011	380,862	222,081	602,943
2012	356,362	184,238	540,600
Thereafter	1,579,672	631,878	2,210,950
<b>Total</b>	<b>\$ 3,481,134</b>	<b>\$ 1,934,953</b>	<b>\$ 5,416,087</b>

- b) **Capital Leases – Unsupported** – There are currently no capital leases held by the jurisdiction.

**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**10. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

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**11. ASSET RETIREMENT OBLIGATIONS**

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located under the site of certain schools upon their disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

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**12. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

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**13. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

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**14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

The Palliser School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

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**15. COMMITMENTS**

**Building Projects:** The jurisdiction is committed to further capital expenditures for the construction of 2 CTS trailers of approximately \$2,000,000. It is anticipated that these costs will be partly funded by the capital allocations from Alberta Education, and partly funded from locally raised contributions including jurisdiction capital reserves.



**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**16. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>2006-2007</b>				
<b>Government of Alberta :</b>				
Education	\$294,532	\$552,759	\$40,361,444	-
Infrastructure & Transportation	-	-	-	-
Finance	173,204	3,654,338	357,607	-
Health & Wellness	-	-	-	362,309
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta departments	22,592	-	2,400	56,650
<b>Other:</b>				
Health authorities	-	5,037	84,913	39,955
Post-secondary Institutions	11,172	-	102,000	47,825
Other Alberta school jurisdictions	20,887	60,220	25,983	78,134
Other related parties	1,110	-	37,141	-
<b>Total 2006-2007</b>	<b>\$523,497</b>	<b>\$4,272,354</b>	<b>\$40,971,488</b>	<b>\$584,873</b>
<b>Total 2005-2006</b>	<b>\$1,048,591</b>	<b>\$4,680,804</b>	<b>\$37,020,115</b>	<b>\$2,168,919</b>



**PALLISER REGIONAL DIVISION NO. 26  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**

**16. REMUNERATION AND MONETARY INCENTIVES**

The Palliser School Division had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons. In groups as follows:

	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's /Other	Total	Expenses
<b>Chairperson:</b>								
Name Mr. Don Zech	1.0	\$21,820	\$894	\$0			\$22,714	\$11,536
<b>Other Board Members:</b>								
Name Mrs. Esther Wilms	1.0	\$13,020	\$509	\$0			\$13,529	\$7,278
Name Mrs. Jean Mrak	1.0	\$11,660	\$443	\$0			\$12,103	\$5,330
Name Mr. Joe Watson	1.0	\$9,260	\$487	\$0			\$9,747	\$1,100
Name Mrs. Colleen Dertz	1.0	\$15,500	\$839	\$0			\$16,339	\$10,703
Name Mr. Robert Strauss	1.0	\$6,140	\$330	\$0			\$6,470	\$1,879
<b>Subtotal</b>	<b>6.0</b>	<b>\$77,400</b>	<b>\$3,302</b>	<b>\$0</b>			<b>\$80,702</b>	<b>\$37,826</b>
<b>Superintendent</b> Dr. Garry Andrews	1.0	\$134,000	\$4,490	\$0			\$138,490	\$10,965
<b>Superintendent</b> Mr. Kevin Gietz	.0	\$21,667	\$1,214	\$0			\$22,881	\$2,043
<b>Secretary/Treasurer</b> Mr. Laurie Marston	1.0	\$121,855	\$22,390	\$0			\$144,245	\$14,585
Certificated Salaries	253.5	\$19,879,695	\$2,253,197	\$0			\$22,132,892	
Un-certificated Salaries & Wages	188.8	\$7,928,917	\$1,920,398	\$0			\$9,849,315	
<b>TOTALS</b>		<b>\$28,163,534</b>	<b>\$4,204,991</b>	<b>\$0</b>			<b>\$32,368,525</b>	<b>\$65,419</b>

School Jurisdiction Code: 2255

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Palliser Regional Division No. 26**

Legal Name of School Jurisdiction

**#101, 3305 - 18th Avenue North Lethbridge, Alberta, T1H 5S1**

Mailing Address

**Phone: (403) 328-4111 Fax: (403) 380-6890**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Laurie Marston, CSBO**

Name

**"ORIGINAL SIGNED"**

Signature

**26-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L6  
EMAIL: [Cindy.Jarry@gov.ab.ca](mailto:Cindy.Jarry@gov.ab.ca)  
PHONE: (780) 427-7732 FAX: (780) 422-6996

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code 2255

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$40,520,912	\$31,271,132	\$4,967,963	\$2,918,612	\$1,363,205	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$357,607		\$357,607			\$0
(4) Other - Government of Alberta	\$102,223	\$99,823	\$2,400	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$430,897	\$430,897	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$25,983	\$0	\$0	\$25,983	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$9,587	\$0	\$2,538	\$7,049	\$0	\$0
(9) Instruction resource fees	\$228,988	\$228,988				
(10) Transportation fees	\$94,339			\$94,339		
(11) Other sales and services	\$489,442	\$456,996	\$9,197	\$16	\$33,233	\$0
(12) Investment income	\$347,575	\$0	\$0	\$0	\$347,575	\$0
(13) Gifts and donations	\$94,306	\$90,819	\$0	\$3,487		\$0
(14) Rentals of facilities	\$399,808	\$2,879	\$31,247	\$0	\$0	\$365,882
(15) Net school generated funds	\$268,959	\$268,959			\$0	
(16) Gains on disposal of capital assets	\$15,338	\$0	\$0	\$15,338	\$0	\$0
(17) Amortization of capital allocations	\$1,259,530	\$0	\$1,259,530	\$0		\$0
(18) TOTAL REVENUES	\$44,655,294	\$32,850,093	\$6,630,482	\$3,064,824	\$1,744,013	\$365,882
<b>EXPENSES</b>						
(19) Certificated salaries	\$20,035,362	\$19,694,872			\$340,690	\$0
(20) Certificated benefits	\$2,258,901	\$2,220,490			\$38,411	\$0
(21) Non-certificated salaries and wages	\$8,128,172	\$5,070,169	\$1,204,499	\$1,133,923	\$685,021	\$54,580
(22) Non-certificated benefits	\$1,946,090	\$1,352,844	\$306,135	\$124,018	\$148,175	\$14,918
(23) SUB - TOTAL	\$32,368,525	\$28,338,175	\$1,510,634	\$1,257,941	\$1,192,297	\$89,478
(24) Services, contracts & supplies	\$8,390,122	\$3,609,663	\$3,313,298	\$800,830	\$532,865	\$133,666
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$268,959	\$268,959				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,259,530	\$0	\$1,259,530	\$0	\$0	\$0
(28) Unsupported	\$734,767	\$185,102	\$0	\$533,455	\$0	\$36,210
(29) Total Amortization	\$1,994,297	\$185,102	\$1,259,530	\$533,455	\$0	\$36,210
Interest on capital debt						
(30) Supported	\$357,607	\$0	\$357,607	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$18,851	\$0	\$0	\$0	\$18,851	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$43,398,361	\$32,381,899	\$6,441,069	\$2,592,026	\$1,744,013	\$239,354
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,256,933	\$468,194	\$189,413	\$472,798	\$0	\$126,528

### SCHEDULE B ALBERTA EDUCATION REVENUE 2006-2007

	TOTAL
Base Funding	\$22,552,021
Additional Funding for Differential Cost Factors	\$15,190,823
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$528,741
Student Health Initiative (SHI)	\$199,495
Alberta Initiative for School Improvement (AISi)	\$825,721
SuperNet Services	\$125,718
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$43,802
Infrastructure Maintenance Renewal (IMR)	\$897,804
Other Funding from Alberta Education (separate) Technology Grants	\$258,990
Total Alberta Education Revenues	\$40,520,912

### SCHEDULE C ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certified Remuneration	Non-certified Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$2,182,857	\$803,249	\$38,580		\$0	\$0	\$3,125,486
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$719,279	\$407,740	\$102,284		\$0		\$1,229,283
ECS Program Unit (PUF)	\$348,024	\$834,478	\$292,088		\$0		\$1,273,168
Severe Disabilities (Gr 1-12)	\$620,298	\$2,182,933	\$178,885		\$0		\$2,982,114
English as a Second Language (ESL)	\$106,745	\$289,114	\$41,548		\$0		\$437,405
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$31,138		\$0		\$31,138
Alberta Initiative for School Improvement	\$358,567	\$0	\$267,804	\$0	\$0		\$626,171
Student Health Initiative	\$272	\$187,838	\$3,549		\$0		\$171,657
SuperNet Service			\$110,520		\$0		\$110,520
Class Size Initiative	\$528,741	\$0	\$0	\$0	\$0		\$528,741
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$17,052,581	\$1,837,885	\$2,325,501	\$215,430		\$434,061	\$21,885,238
TOTAL EXPENSES	\$21,815,182	\$8,423,013	\$3,394,233	\$215,430	\$0	\$434,061	\$32,381,899

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certified	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	8.4	29.0
ECS Program Unit (PUF)	3.7	29.2
Severe Disabilities (Gr 1-12)	6.9	95.4

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$43,398,361
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,168,182
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	4,006
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,168,182
Less: 2006/2007 Board and System Administration expenses	-\$1,744,013
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$424,169

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$718,670
<b>Sources of School Generated Funds:</b>	
Fundraising activities	\$1,306,313
Student fees (Non-instructional) (Note 1)	\$0
Donations and grants to schools	\$11,412
Other (describe):	\$0
<b>Net Additions to SGF</b>	\$1,407,725
<b>Net SGF Available</b>	\$1,059,093
<b>Uses of Net School Generated Funds:</b>	
Extra-curricular activities	\$56,987
School site beautification	\$0
Field Trips	\$16,880
Equipment	\$0
Family literacy and other community resources	\$0
Other (describe):	\$195,092
<b>Total Uses of Net SGF (Note 2)</b>	\$268,959
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$790,134
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>	

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Parkland School Division No. 70**

Legal Name of School Jurisdiction

4603 48 Street Stony Plain, AB T7Z 2A8

Mailing Address

Telephone: 780-963-4010

Fax: 780-963-4169

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Parkland School Division No. 70 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Dorcas Kilduff

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Mary Lynne Campbell

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Claire Jonsson

Name

"ORIGINAL SIGNED"

Signature

4-Dec-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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PricewaterhouseCoopers LLP  
Chartered Accountants  
TD Tower  
10088 102 Avenue NW, Suite 1501  
Edmonton, Alberta  
Canada T5J 3N5  
Telephone +1 (780) 441 6700  
Facsimile +1 (780) 441 6776

December 4, 2007

## Auditors' Report

To the Board of Trustees of  
Parkland School Division No. 70

We have audited the statement of financial position of **Parkland School Division No. 70** as at August 31, 2007 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2007 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in notes 10 through 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The budgeted information in the statement of revenue and expenses has not been subjected to audit procedures and, accordingly, we do not express an opinion on this information.

*PricewaterhouseCoopers LLP*

Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$17,074,246	\$13,788,753
Accounts receivable (net after allowances)	\$1,583,703	\$2,772,805
Prepaid expenses	\$351,241	\$249,187
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$19,009,190</b>	<b>\$16,810,745</b>
School generated assets	\$1,292,345	\$1,127,523
Trust assets	\$304,754	\$264,154
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$4,167,683	\$4,167,683
Buildings	\$90,789,275	
Less: accumulated amortization	(\$39,277,107)	\$51,492,168
Equipment	\$4,877,379	
Less: accumulated amortization	(\$3,045,884)	\$1,831,495
Vehicles	\$1,016,477	
Less: accumulated amortization	(\$492,278)	\$524,199
<b>Total capital assets</b>	<b>\$58,015,545</b>	<b>\$53,421,309</b>
<b>TOTAL ASSETS</b>	<b>\$78,621,834</b>	<b>\$71,623,731</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$4,955,328	\$3,183,424
Deferred revenue	\$620,699	\$1,361,336
Deferred capital allocations	\$245,800	\$991,491
Current portion of all long term debt	\$910,240	\$1,280,663
<b>Total current liabilities</b>	<b>\$6,732,067</b>	<b>\$6,816,914</b>
School generated liabilities	\$1,292,345	\$1,127,523
Trust liabilities	\$304,754	\$264,154
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,232,134	\$4,512,797
Less: Current portion of supported debt	(\$910,240)	(\$1,280,663)
Unsupported: Debentures and Capital Loans		\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$48,524,803	\$43,638,751
<b>Total long term liabilities</b>	<b>\$52,443,796</b>	<b>\$48,282,582</b>
<b>TOTAL LIABILITIES</b>	<b>\$59,175,863</b>	<b>\$55,079,476</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$4,520,801	\$3,745,201
Operating Reserves	\$6,377,687	\$4,794,904
Accumulated Operating Surplus (Deficit)	\$10,898,488	\$8,540,105
Investment in capital assets	\$6,258,608	\$5,269,781
Capital Reserves	\$2,288,875	\$2,734,389
<b>Total Capital Funds</b>	<b>\$8,547,483</b>	<b>\$8,004,150</b>
<b>Total net assets</b>	<b>\$19,445,971</b>	<b>\$16,544,255</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$78,621,834</b>	<b>\$71,623,731</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$73,480,933	\$73,484,367	\$73,036,737
Federal Government and/or First Nations	\$1,405,884	\$1,119,954	\$1,257,631
Other Alberta school authorities	\$73,328	\$73,396	\$76,450
Out of province authorities	\$0	\$0	\$20,600
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$35,900	\$29,906
Instruction resource fees	\$1,102,088	\$840,492	\$1,067,450
Transportation fees	\$233,941	\$202,000	\$213,934
Other sales and services	\$1,064,044	#REF!	\$1,559,969
Investment income	\$602,417	\$295,000	\$376,313
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$23,904	\$2,900	\$27,738
Net school generated funds	\$177,433	\$461,102	\$389,311
Gains on disposal of capital assets	\$8,957	\$0	\$151,730
Amortization of capital allocations	\$2,221,297	\$1,988,438	\$2,016,778
<b>Total Revenues</b>	<b>\$80,404,226</b>	<b>#REF!</b>	<b>\$80,224,547</b>
<b>EXPENSES</b>			
Certificated salaries	\$34,047,812	\$33,950,089	\$35,935,105
Certificated benefits	\$4,355,217	\$4,571,425	\$4,471,197
Non-certificated salaries and wages	\$11,969,706	\$12,029,713	\$11,432,048
Non-certificated benefits	\$3,271,889	\$2,687,301	\$2,911,219
Services, contracts and supplies	\$20,569,078	\$25,362,768	\$18,449,954
Net school generated funds	\$177,433	\$461,102	\$389,311
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,221,297	\$1,988,438	\$2,016,778
Unsupported	\$486,664	\$396,322	\$425,488
<b>Total Amortization of capital assets</b>	<b>\$2,707,961</b>	<b>\$2,384,760</b>	<b>\$2,442,266</b>
Interest on capital debt			
Supported	\$401,591	\$479,370	\$570,896
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$401,591</b>	<b>\$479,370</b>	<b>\$570,896</b>
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$1,823	\$0	\$0
<b>Total Expenses</b>	<b>\$77,502,510</b>	<b>\$81,926,528</b>	<b>\$76,601,996</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$2,901,716	#REF!	\$3,622,551
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$2,901,716</b>	<b>#REF!</b>	<b>\$3,622,551</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$2,901,716	\$3,622,551
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,221,297)	(\$2,016,778)
Total amortization expense	\$2,707,961	\$2,442,266
Gains on disposal of capital assets	(\$8,957)	(\$151,730)
Losses on disposal of capital assets	\$1,823	\$0
Changes in accrued accounts:		
Accounts receivable	\$1,189,102	\$2,231,527
Prepays and other current assets	(\$102,054)	(\$7,374)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,771,904	\$213,266
Deferred revenue	(\$740,637)	\$789,694
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$5,499,561	\$7,123,422
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$6,444,931)	(\$916,556)
Equipment	(\$690,849)	(\$800,999)
Vehicles	(\$191,165)	(\$124,506)
Net proceeds from disposal of capital assets	\$14,609	\$189,632
Other (describe)	\$0	\$0
Total sources (uses) of cash from investing activities	(\$7,312,336)	(\$1,652,429)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$5,098,268	\$1,587,283
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,280,663)	(\$1,692,495)
Add back: supported portion	\$1,280,663	\$1,692,495
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$5,098,268	\$1,587,283
Net sources (uses) of cash during year	\$3,285,493	\$7,058,276
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$13,788,753	\$6,730,477
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$17,074,246	\$13,788,753

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$16,544,255	\$5,269,761	\$3,745,201	\$4,794,904	\$2,734,389
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$16,544,255	\$5,269,761	\$3,745,201	\$4,794,904	\$2,734,389
Excess(def) of revenue over expenses	\$2,901,716		\$2,901,716		
Board funded capital transactions		\$1,482,984	(\$464,240)	\$0	(\$1,018,744)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,707,961)	\$2,707,961		
Amortization of capital allocations		\$2,221,297	(\$2,221,297)		
Disposal of unsupported capital assets	\$0	(\$7,473)	(\$7,134)		\$14,607
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$3,277,447)	\$3,277,447	
Net transfers from operating reserves			\$1,694,664	(\$1,694,664)	
Net transfers to capital reserves			(\$558,623)		\$558,623
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$19,445,971	\$6,258,608	\$4,520,801	\$6,377,687	\$2,288,875

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$991,491	\$43,638,751
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$991,491	\$43,638,751
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$5,098,268	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,280,663
Expended capital allocations - current year	(\$5,843,959)	\$5,843,959
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$17,273
Capital allocations amortized to revenue		\$2,221,297
Balance at August 31, 2007	\$245,800	\$48,524,803

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

## **PARKLAND SCHOOL DIVISION NO. 70**

### **Notes to the Financial Statements**

**Year Ended August 31, 2007**

#### **1. Authority and Purpose**

Parkland School Division No. 70 delivers education programs under the authority of the School Act, Chapter S3.1, Statutes of Alberta, January 1, 2000.

The School Division receives block allocations for Instruction, Support and Capital purposes under Regulation 77/2003. The Regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

#### **2. Summary of Significant Accounting Policies**

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

##### **Revenue Recognition**

Revenue from the Provincial and Federal governments for instruction and support is recognized in the year to which they relate.

Instruction and transportation fees are recognized when the services are provided.

Unrestricted contributions are recognized as revenue when received and receivable.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

##### **School Generated Funds**

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the School Division because the accountability and control/ownership of these funds rests with School Division officials or their appointee(s).

##### **Property and Equipment**

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 4%
Equipment	20%
Vehicles	10% and 20%



## **PARKLAND SCHOOL DIVISION NO. 70**

### **Notes to the Financial Statements**

**Year Ended August 31, 2007**

Only property and equipment with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

#### **Contributed Services**

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

#### **Pensions**

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Parkland School Division No. 70 does not make pension contributions for certificated staff.

The School Division participates in the multi-employer pension plan, Local Authorities Pension Plan. At August 31, 2007, the School Division's expense for this pension plan is equivalent to the annual contributions of \$1,214,847 (2006 - \$1,067,539).

At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

#### **Financial Instruments**

The School Division's financial instruments consist of cash, accounts receivable, trust assets, trust liabilities, accounts payable and accruals and long-term debt. It is management's opinion that the division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

#### **Reserves**

Reserves created by authorization of the Board of Trustees represent allocations for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board of Trustees.



# **PARKLAND SCHOOL DIVISION NO. 70**

## **Notes to the Financial Statements**

Year Ended August 31, 2007

### **3. Accounts Receivable**

	<u>2007</u>	<u>2006</u>
Provincial government	\$ 1,004,630	\$ 2,305,639
Federal government/First nations	170,966	204,978
Municipalities	5,548	22,104
Other school divisions	4,639	12,123
Other	397,920	227,961
	<u>\$ 1,583,703</u>	<u>\$ 2,772,805</u>

### **4. Trust Assets and Liabilities**

	<u>2007</u>	<u>2006</u>
Endowment funds for scholarships	\$ 76,319	\$ 81,088
Deferred salaries	228,435	183,066
	<u>\$ 304,754</u>	<u>\$ 264,154</u>

### **5. Property and Equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 4,167,683	-	\$ 4,167,683	\$ 4,167,683
Buildings	90,769,275	39,277,107	51,492,168	47,314,364
Equipment	4,877,379	3,045,884	1,831,495	1,512,222
Vehicles	1,016,477	492,278	524,199	427,040
	<u>\$100,830,814</u>	<u>\$42,815,269</u>	<u>\$58,015,545</u>	<u>\$53,421,309</u>

### **6. Accounts Payable and Accruals**

	<u>2007</u>	<u>2006</u>
Provincial government	\$ 165,079	\$ 242,859
Federal government/First nations	759,464	600,798
Other	4,030,785	2,339,767
	<u>\$ 4,955,328</u>	<u>\$ 3,183,424</u>

**PARKLAND SCHOOL DIVISION NO. 70**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

**7. Deferred Revenue**

	<u><b>2007</b></u>	<u><b>2006</b></u>
Alberta Education		
IMR	\$ 162,797	\$ -
Edmonton Regional Learning Consortium	86,992	1,095,970
Funding Framework	108,769	-
Other	262,141	265,366
	<u><b>\$ 620,699</b></u>	<u><b>\$ 1,361,336</b></u>

**8. Deferred Capital Contributions and Unamortized Capital Allocations**

	<u><b>2007</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
	<u><b>Deferred Capital Contributions</b></u>	<u><b>Unamortized Capital Allocations</b></u>	<u><b>Deferred Capital Contributions</b></u>	<u><b>Unamortized Capital Allocations</b></u>
Balance, beginning of year	\$ 991,491	\$43,638,751	\$ 390,066	\$43,005,359
Government grants	5,098,268	-	1,587,283	-
Expended on property and equipment	(5,843,959)	5,843,959	(985,858)	985,858
Debt retirement	-	1,280,663	-	1,692,495
Unamortized capital allocation reduced by a disposal	-	(17,273)	-	(28,183)
Amortization of capital assets acquired from capital contributions	-	(2,221,297)	-	(2,016,778)
Balance, end of year	<u><b>\$ 245,800</b></u>	<u><b>\$48,524,803</b></u>	<u><b>\$ 991,491</b></u>	<u><b>\$43,638,751</b></u>

**PARKLAND SCHOOL DIVISION NO. 70**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

**9. Long-term Debt**

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance.

	<u><b>2007</b></u>	<u><b>2006</b></u>
Debentures	\$ 3,232,134	\$ 4,512,797
Less current portion	910,240	1,280,663
	<u><b>\$ 2,321,894</b></u>	<u><b>\$ 3,232,134</b></u>

Debenture principle and interest amounts due in each of the next five years are as follows:

	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
2008	910,240	335,549	1,245,789
2009	658,151	235,651	893,802
2010	505,351	165,916	671,267
2011	448,920	114,517	563,437
2012	365,885	69,890	435,775
2013 and thereafter	343,587	56,374	399,961
	<u><b>\$ 3,232,134</b></u>	<u><b>\$ 977,897</b></u>	<u><b>\$4,210,031</b></u>

Cash interest paid during the year by the School Division was \$479,370 (2006 - \$672,493).

**10. School Generated Funds**

	<u><b>2007</b></u>	<u><b>2006</b></u>
Balance, beginning of year	\$ 1,127,523	\$ 1,214,137
Source of Net School Generated Funds (SGF)	342,255	302,697
Net SGF available for discretionary spending	1,469,778	1,516,834
Net Less: net SGF expended for the year	(177,433)	(389,311)
Balance, end of year	<u><b>\$ 1,292,345</b></u>	<u><b>\$ 1,127,523</b></u>

# **PARKLAND SCHOOL DIVISION NO. 70**

## **Notes to the Financial Statements**

Year Ended August 31, 2007

### **11. Restricted Net Assets**

	<u>Balance, beginning of year</u>	<u>Appropriated during the year</u>	<u>Utilized during the year</u>	<u>Balance, end of year</u>
Operating Reserves				
School instructional	\$ 3,772,758	\$ 2,632,995	\$ 1,438,926	\$ 4,966,827
System administration	404,036	-	232,713	171,323
Operation & maintenance	472,771	499,303	23,025	949,049
Transportation	145,339	145,149	-	290,488
	<u>\$ 4,794,904</u>	<u>\$ 3,277,447</u>	<u>\$ 1,694,664</u>	<u>\$ 6,377,687</u>
Capital Reserves				
Land	29,194	-	-	29,194
Buildings	930,050	86,785	136,730	880,105
Equipment	1,487,360	336,374	690,850	1,132,884
Vehicles	287,785	150,071	191,164	246,692
	<u>2,734,389</u>	<u>573,230</u>	<u>1,018,744</u>	<u>2,288,875</u>
<b>TOTAL</b>	<u><b>\$ 7,529,293</b></u>	<u><b>\$ 3,850,677</b></u>	<u><b>\$ 2,713,408</b></u>	<u><b>\$ 8,666,562</b></u>

### **12. Program Expenses**

	<u>2007 Budget (Note 19)</u>	<u>2007 Actual</u>	<u>2006 Actual</u>
Early childhood services	1,951,620	3,567,604	2,468,088
Student instruction	55,875,567	49,998,270	52,551,376
Operation and maintenance	12,688,200	11,040,512	9,597,909
Student transportation	7,754,265	7,675,102	7,201,237
Board/system administration	3,010,450	3,143,548	2,638,546
External services	185,324	1,900,041	1,755,529
School generated funds (Note 10)	461,102	177,433	389,311
	<u><b>\$81,926,528</b></u>	<u><b>\$77,502,510</b></u>	<u><b>\$76,601,996</b></u>

# **PARKLAND SCHOOL DIVISION NO. 70**

## **Notes to the Financial Statements**

**Year Ended August 31, 2007**

### **13. Remuneration and Monetary Incentives**

Parkland School Division had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members</b>	<b>Number</b>	<b>Remuneration</b>	<b>Benefits and Allowances</b>	<b>ERIP's/ Other</b>	<b>Expenses</b>
Chair - Grace Gruber	1.0	\$ 21,181	\$ 4,817	\$ -	\$ 12,365
Ward 2 - Jeanette Smith	1.0	17,178	2,536	-	7,560
Ward 3 - Marie Anstey	1.0	10,523	5,324	-	1,723
Ward 4 - Irene Goebel	1.0	10,083	549	-	4,952
Ward 5 - Sharon Cornelius	1.0	13,445	1,139	-	5,544
Ward 5 - Kim Leenders	0.5	5,794	489	-	2,730
Ward 6 - Sherry Waddle	1.0	11,071	4,390	-	5,762
<b>Subtotal</b>	<b>6.5</b>	<b>89,275</b>	<b>19,244</b>	<b>-</b>	<b>40,636</b>
Superintendent - Mary Lynne Campbell	1.0	153,962	12,412	-	8,810
Secretary Treasurer - Thomas Olson	0.8	127,958	11,132	64,164	\$ 8,655
Secretary Treasurer - Claire Jonsson	0.2	21,388	3,140	-	-
Salaries - Certificated	503.8	33,735,495	4,342,805	158,354	-
Salaries - Uncertificated	480.5	11,601,455	3,238,374	65,466	-
<b>Totals</b>	<b>996.3</b>	<b>\$ 45,729,533</b>	<b>\$ 7,627,107</b>	<b>\$ 287,984</b>	

# **PARKLAND SCHOOL DIVISION NO. 70**

## **Notes to the Financial Statements**

Year Ended August 31, 2007

### **14. Related Party Transactions**

Effective 2006-2007, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets (cost or net realizable value)</u>	<u>Liabilities (fair value)</u>	<u>Revenues</u>	<u>Expenses</u>
<b>Government of Alberta</b>				
Education	\$ 751,899	\$ 604,358	\$ 72,805,200	\$ -
Infrastructure & transportation	-	-	-	-
Finance	165,079	3,397,213	401,591	401,591
Other	87,652	-	284,142	-
	<u>1,004,630</u>	<u>4,001,571</u>	<u>73,490,933</u>	<u>401,591</u>
<b>Other</b>				
Health authorities	-	-	-	634
Post-secondary institutions	-	-	-	1,936
Other Alberta school jurisdictions	4,639	-	73,328	3,396
<b>TOTAL 2006-2007</b>	<u>\$ 1,009,269</u>	<u>\$ 4,001,571</u>	<u>\$ 73,564,261</u>	<u>\$ 407,557</u>
<b>TOTAL 2005-2006</b>	<u>\$ 2,317,762</u>	<u>\$ 6,843,117</u>	<u>\$ 73,113,187</u>	<u>\$ 596,586</u>

### **15. Economic Dependence on Related Third Party**

The School Division's primary source of income is from the Alberta Government. The School Division's ability to continue viable operations is dependent on this funding.

### **16. Contingencies**

The School Division is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the School Division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred will be accounted for as a current transaction in the year the losses are determined.

**PARKLAND SCHOOL DIVISION NO. 70**

**Notes to the Financial Statements**

**Year Ended August 31, 2007**

**17. Asset Retirement Obligations**

The School Division has applied the interpretations of the Canadian Institute of Chartered Accountants Emerging Issues Committee abstract 159 "Conditional Asset Retirement Obligations" (EIC-159). Under EIC-159, a liability should be recognized if the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be covered in the future by funding through the Alberta Government. The School Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified and information is not available to apply an expected present value technique.

**18. Budget Amounts**

The budget was prepared by the School Division management with the Board of Trustees approval given on June 13, 2006. A revised budget based on student enrolments at September 30, 2006 is presented in these statements for information purposes only and has not been audited.

**19. Subsequent Events**

The contract with the teaching staff (ATA Local #10) expired on August 31, 2006. The School Division and the union concluded a voluntary interest arbitration process on October 21, 2007. It is now up to the three panel arbitration board to render a decision which will form the salary component of the new collective agreement.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Parkland School Division No. 70**

Legal Name of School Jurisdiction

**4603 48 Street Stony Plain, AB T7Z 2A8**

Mailing Address

**Telephone: 780-963-4010      Fax: 780-963-4169**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Claire Jonsson**

Name

**"ORIGINAL SIGNED"**

Signature

**4-Dec-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L1  
EMAIL: [Cindy.Jarry@gov.ab.ca](mailto:Cindy.Jarry@gov.ab.ca)  
PHONE: (780) 437-7782 FAX: (780) 432-6996



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**SCHEDULE A**

School Jurisdiction Code 2305

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$72,805,200	\$51,925,143	\$9,276,555	\$7,397,253	\$2,676,964	\$1,529,285
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$401,591		\$401,591			\$0
(4) Other - Government of Alberta	\$284,142	\$284,142	\$0	\$0	\$0	
(5) Federal Government and/or First Nations	\$1,405,884	\$1,214,002	\$138,878	\$0	\$53,004	\$0
(6) Other Alberta school authorities	\$73,328	\$72,616	\$0	\$712	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0		\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$1,102,088	\$1,102,088				
(10) Transportation fees	\$233,941			\$233,941		
(11) Other sales and services	\$1,084,044	\$427,539	\$42,591	\$155,540	\$67,618	\$370,756
(12) Investment income	\$602,417	\$468,824	\$59,905	\$49,013	\$24,675	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$23,904	\$23,904	\$0	\$0	\$0	\$0
(15) Net school generated funds	\$177,433	\$177,433			\$0	
(16) Gains on disposal of capital assets	\$8,957	\$0	\$8,957	\$0	\$0	\$0
(17) Amortization of capital allocations	\$2,221,297	\$0	\$2,221,297	\$0		\$0
(18) TOTAL REVENUES	\$80,404,226	\$55,895,891	\$12,149,774	\$7,836,459	\$2,822,261	\$1,900,041
<b>EXPENSES</b>						
(19) Certificated salaries	\$34,047,812	\$33,597,895			\$449,917	\$0
(20) Certificated benefits	\$4,355,217	\$4,317,595			\$37,622	\$0
(21) Non-certificated salaries and wages	\$11,969,706	\$7,466,138	\$2,756,829	\$335,541	\$1,188,925	\$222,273
(22) Non-certificated benefits	\$3,271,889	\$2,093,500	\$792,498	\$82,676	\$263,366	\$39,847
(23) SUB - TOTAL	\$53,644,624	\$47,475,128	\$3,549,327	\$418,219	\$1,939,830	\$262,120
(24) Services, contracts & supplies	\$20,569,078	\$5,682,589	\$4,885,384	\$7,223,040	\$1,140,144	\$1,637,921
(25) Cost recoveries between programs	\$0	\$132,389	(\$133,492)	\$8,525	(\$7,422)	\$0
(26) Net school generated funds	\$177,433	\$177,433				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$2,221,297	\$0	\$2,221,297	\$0	\$0	\$0
(28) Unsupported	\$486,664	\$275,615	\$114,735	\$25,318	\$70,996	\$0
(29) Total Amortization	\$2,707,961	\$275,615	\$2,336,032	\$25,318	\$70,996	\$0
Interest on capital debt						
(30) Supported	\$401,591	\$0	\$401,591	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$1,823	\$153	\$1,670	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$77,502,510	\$53,743,307	\$11,040,512	\$7,875,102	\$3,143,548	\$1,900,041
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,901,716	\$1,952,384	\$1,109,262	\$161,357	(\$321,287)	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$43,235,271
Additional Funding for Differential Cost Factors	\$21,268,000
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$2,065,575
Student Health Initiative (SHI)	\$49,142
Alberta Initiative for School Improvement (AISI)	\$1,173,832
SuperNet Services	\$184,584
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$114,388
Regional Consortium and Regional Educational Consulting Services	\$1,529,285
Learning Resources Credit Allocation	\$120,931
Infrastructure Maintenance Renewal (IMR)	\$2,544,384
Other Funding from Alberta Education (various)	\$0
Total Alberta Education Revenues	\$72,805,200

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$4,609,808	\$3,454,084	\$1,053,850		(\$138,227)	\$0	\$8,979,115
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$831,016	\$1,250,819	\$8,536		\$0		\$2,190,408
ECS Program Unit (PUF)	\$317,951	\$755,784	\$457,380		\$0		\$1,531,065
Severe Disabilities (Gr 1-12)	\$995,060	\$2,737,898	\$280,472		\$0		\$4,014,328
English as a Second Language (ESL)	\$27,030	\$5,408	\$3,804		\$0		\$36,040
French Language & Francisation	\$80,584	\$12,117	\$8,077		\$0		\$80,778
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$352,487	\$70,503	\$47,023		\$0		\$470,023
Alberta Initiative for School Improvement	\$582,370	\$0	\$581,283	\$0			\$1,173,653
Student Health Initiative	\$45	\$0	\$6087		(\$7,010)		\$49,142
SuperNet Service			\$184,584		\$0		\$184,584
Class Size Initiative	\$2,065,575	\$0	\$0	\$0	\$0		\$2,065,575
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0	\$0	\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$27,372,814	\$1,272,062	\$1,432,807	\$1,743,830	\$277,628	\$453,201	\$32,389,546
TOTAL EXPENSES	\$37,915,490	\$8,558,838	\$4,103,553	\$1,743,830	\$132,389	\$453,201	\$53,743,307

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.7	42.1
ECS Program Unit (PUF)	4.0	25.4
Severe Disabilities (Gr 1-12)	12.5	92.1

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$77,802,810</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	6.00%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$3,875,120
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$56,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrolmen	8,873	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$3,875,120</b>
Less: 2006/2007 Board and System Administration expense		-\$3,143,540
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$731,578</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$1,127,524</b>																								
<b>Sources of School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td style="text-align: right;">\$1,591,674</td> <td style="text-align: right;">\$1,364,963</td> <td style="text-align: right;">\$226,711</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td style="text-align: right;">\$599,055</td> <td style="text-align: right;">\$553,146</td> <td style="text-align: right;">\$45,909</td> </tr> <tr> <td>Donations and grants to schools</td> <td style="text-align: right;">\$121,523</td> <td style="text-align: right;">\$99,625</td> <td style="text-align: right;">\$21,898</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$121,023</td> <td style="text-align: right;">\$73,287</td> <td style="text-align: right;">\$47,736</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td style="text-align: right;"><b>\$2,433,275</b></td> <td style="text-align: right;"><b>\$2,091,021</b></td> <td style="text-align: right;"><b>\$342,254</b></td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$1,591,674	\$1,364,963	\$226,711	Student fees (Non-Instructional) (Note 1)	\$599,055	\$553,146	\$45,909	Donations and grants to schools	\$121,523	\$99,625	\$21,898	Other (describe):	\$121,023	\$73,287	\$47,736	<b>Net Additions to SGF</b>	<b>\$2,433,275</b>	<b>\$2,091,021</b>	<b>\$342,254</b>	
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<b>Uses of Net School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Extra-curricular activities</td> <td style="text-align: right;">\$69,212</td> </tr> <tr> <td>School site beautification</td> <td style="text-align: right;">\$4,413</td> </tr> <tr> <td>Field Trips</td> <td style="text-align: right;">\$26,877</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">\$15,800</td> </tr> <tr> <td>Family literacy and other community resources</td> <td style="text-align: right;">\$991</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$60,240</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td style="text-align: right;"><b>\$177,433</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$69,212	School site beautification	\$4,413	Field Trips	\$26,877	Equipment	\$15,800	Family literacy and other community resources	\$991	Other (describe):	\$60,240	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$177,433</b>											
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<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$1,292,345</b>																								
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																										

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Peace River School Division No. 10**

Legal Name of School Jurisdiction

**10018-101 Street, Peace River, Alberta T8S 2A5**

Mailing Address

**Phone: (780) 624-3601 Fax: (780) 624-5941**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

Peace River School Division No. 10

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Nan Bartlett**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Greg Woronuk**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**M. Peter Neale**

Name

**"ORIGINAL SIGNED"**

Signature

**November 27, 2007**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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MEYERS NORRIS PENNY LLP

## Auditors' Report

To the Board of Trustees  
Peace River School Division No. 10

We have audited the statement of financial position of Peace River School Division No. 10 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

The 2006 financial statements were audited by another firm of chartered accountants.

Peace River, Alberta  
November 5, 2007

*Meyers Norris Penny LLP*  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

		2007	2006 (Note) As Restated (Note 16)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments		\$9,860,592	\$6,518,247
Accounts receivable (net after allowances)		\$1,640,074	\$6,356,022
Prepaid expenses		\$93,772	\$70,707
Other current assets		\$248,075	\$198,393
Total current assets		\$11,842,513	\$13,143,369
School generated assets		\$662,260	\$606,546
Trust assets		\$253,190	\$246,735
Long term accounts receivable		\$14,331	\$10,863
Long term investments		\$0	\$0
Capital assets			
Land		\$1,752,420	\$1,752,420
Buildings	\$62,778,930		
Less: accumulated amortization	(\$28,510,229)	\$34,268,701	\$35,123,053
Equipment	\$1,091,669		
Less: accumulated amortization	(\$789,877)	\$301,792	\$279,009
Vehicles	\$7,474,286		
Less: accumulated amortization	(\$4,081,423)	\$3,392,863	\$3,247,867
Total capital assets		\$39,715,776	\$40,402,349
<b>TOTAL ASSETS</b>		<b>\$52,488,070</b>	<b>\$54,409,862</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$1,102,509	\$3,029,286
Deferred revenue		\$1,121,217	\$1,582,251
Deferred capital allocations		\$211,578	\$1,210,724
Current portion of all long term debt		\$1,008,430	\$1,080,084
Total current liabilities		\$3,443,734	\$6,902,345
School generated liabilities		\$662,260	\$606,546
Trust liabilities		\$253,190	\$246,735
Employee future benefits liability		\$0	\$0
Long term payables and accrued liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$5,133,412	\$6,150,496
Less: Current portion of supported debt		(\$1,008,430)	(\$1,080,084)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations		\$27,707,821	\$27,608,236
Total long term liabilities		\$32,748,253	\$33,531,929
<b>TOTAL LIABILITIES</b>		<b>\$36,191,987</b>	<b>\$40,434,274</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$1,909,585	\$2,703,566
Operating Reserves		\$5,602,930	\$2,719,380
Accumulated Operating Surplus (Deficit)		\$7,512,515	\$5,422,946
Investment in capital assets		\$6,874,544	\$6,643,618
Capital Reserves		\$1,909,024	\$1,909,024
Total Capital Funds		\$8,763,568	\$8,552,642
Total net assets		\$16,296,083	\$13,975,588
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$52,488,070</b>	<b>\$54,409,862</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note) As Restated (Note 16)
<b>REVENUES</b>			
Government of Alberta	\$35,699,986	\$32,910,477	\$34,812,601
Federal Government and/or First Nations	\$244,969	\$221,238	\$254,141
Other Alberta school authorities	\$0	\$11,260	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$34,000	\$0
Instruction resource fees	\$179,335	\$210,186	\$178,924
Transportation fees	\$27,540	\$21,000	\$26,693
Other sales and services	\$471,328	\$422,801	\$550,085
Investment income	\$410,195	\$252,200	\$326,924
Gifts and donations	\$48,262	\$0	\$78,696
Rentals of facilities	\$61,517	\$90,340	\$79,995
Net school generated funds	\$412,888	\$269,400	\$374,798
Gains on disposal of capital assets	\$17,197	\$12,000	\$1,800
Amortization of capital allocations	\$2,077,525	\$1,608,574	\$1,962,711
<b>Total Revenues</b>	<b>\$39,650,742</b>	<b>\$36,063,476</b>	<b>\$38,647,368</b>
<b>EXPENSES</b>			
Certificated salaries	\$14,712,073	\$14,942,671	\$14,396,150
Certificated benefits	\$1,556,615	\$1,674,381	\$1,448,511
Non-certificated salaries and wages	\$7,852,512	\$7,524,529	\$7,170,933
Non-certificated benefits	\$1,024,414	\$1,296,736	\$990,966
Services, contracts and supplies	\$8,376,049	\$7,841,235	\$8,104,408
Net school generated funds	\$412,888	\$269,400	\$374,798
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,077,525	\$1,608,574	\$1,962,711
Unsupported	\$722,395	\$406,845	\$583,374
Total Amortization of capital assets	<b>\$2,799,920</b>	<b>\$2,015,419</b>	<b>\$2,546,085</b>
Interest on capital debt			
Supported	\$584,038	\$811,647	\$697,469
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	<b>\$584,038</b>	<b>\$811,647</b>	<b>\$697,469</b>
Other interest charges	\$2,497	\$2,900	\$1,176
Losses on disposal of capital assets	\$9,241	\$0	\$403,045
<b>Total Expenses</b>	<b>\$37,330,247</b>	<b>\$36,378,918</b>	<b>\$36,133,541</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$2,320,495	(\$315,442)	\$2,513,827
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$2,320,495</b>	<b>(\$315,442)</b>	<b>\$2,513,827</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note) As Restated (Note 16)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$2,320,495	\$2,513,827
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,077,525)	(\$1,962,711)
Total amortization expense	\$2,799,920	\$2,546,085
Gains on disposal of capital assets	(\$17,197)	(\$1,800)
Losses on disposal of capital assets	\$9,241	\$403,045
Changes in accrued accounts:		
Accounts receivable	\$4,715,948	\$6,414,985
Prepays and other current assets	(\$72,747)	\$13,072
Long term accounts receivable	(\$3,468)	\$9,819
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,926,777)	\$1,537,973
Deferred revenue	(\$461,034)	(\$87,586)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$5,286,856</b>	<b>\$11,386,709</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,262,534)	(\$12,904,153)
Equipment	(\$274,809)	(\$166,484)
Vehicles	(\$686,627)	(\$1,196,488)
Net proceeds from disposal of capital assets	\$21,200	\$10,800
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$2,202,770)</b>	<b>(\$14,256,325)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$281,793	\$2,466,545
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,017,084)	(\$1,028,921)
Add back: supported portion	\$993,550	\$1,028,921
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$258,259</b>	<b>\$2,466,545</b>
<b>Net sources (uses) of cash during year</b>	<b>\$3,342,345</b>	<b>(\$403,071)</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/06</b>	<b>\$6,518,247</b>	<b>\$6,921,318</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/07</b>	<b>\$9,860,592</b>	<b>\$6,518,247</b>

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$13,507,839	\$6,555,871	\$2,323,564	\$2,094,004	\$2,534,400
Prior period adjustments (describe)					
As Restated (Note 16)	\$467,749	\$87,747	\$380,002	\$625,376	(\$625,376)
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$13,975,588	\$6,643,618	\$2,703,566	\$2,719,380	\$1,909,024
Excess(def) of revenue over expenses	\$2,320,495		\$2,320,495		
Board funded capital transactions		\$943,032	(\$943,032)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,799,920)	\$2,799,920		
Amortization of capital allocations		\$2,077,525	(\$2,077,525)		
Disposal of unsupported capital assets	\$0	(\$13,244)	\$13,244		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$23,533	(\$23,533)		
Net transfers to operating reserves			(\$2,883,550)	\$2,883,550	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$16,296,083	\$6,874,544	\$1,909,585	\$5,602,930	\$1,909,024

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$1,210,724	\$28,161,978
Prior period adjustment		(\$553,742)
Adjusted balance, August 31, 2006	\$1,210,724	\$27,608,236
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$331,668	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	(\$49,875)	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$993,550
Expended capital allocations - current year	(\$1,280,939)	\$1,280,939
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$97,379
Capital allocations amortized to revenue		\$2,077,525
Balance at August 31, 2007	\$211,578	\$27,707,821

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

## PEACE RIVER SCHOOL DIVISION #10

### NOTES TO THE FINANCIAL STATEMENTS 2006-2007

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#### 1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

##### a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

##### b) Capital Assets

Capital Assets are recorded at cost and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	10 to 40 Years
Vehicles & Buses	7 to 12 Years
Equipment & Furnishings	5 years
Land Improvements	20 years

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

##### c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

---

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Peace River School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$226,335 for the year ended August 31, 2006. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

f) Inventories

Inventories are recorded at the lower of cost or net realizable value.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

---

### 3. ACCOUNTS RECEIVABLE

	2007	2006
Alberta Education	314,213	1,309,444
Alberta Infrastructure	538,976	4,167,229
Alberta Finance	318,838	382,712
Other Province of Alberta	-	5,208
Federal Government/First Nations	189,847	260,814
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other	278,200	230,615
Total	1,640,074	6,356,022

### 4. CAPITAL ASSETS

			2007	2006 (Restated)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,752,420	-	1,752,420	1,752,420
Buildings	62,778,930	28,510,229	34,268,701	35,123,053
Equipment	1,091,669	789,877	301,792	279,009
Vehicles	7,474,286	4,081,423	3,392,863	3,247,867
	73,097,305	33,381,529	39,715,776	40,402,349

During the year, the School Division disposed of supported assets resulting in a loss of \$97,379 (2006 - \$284,430). These losses were not recognized in the statement of revenues and expenses and were shown as a reduction to capital assets and a corresponding reduction to the unamortized capital allocation.

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2007	2006
Alberta Education	-	-
Alberta Finance	318,838	382,712
Other Province of Alberta	-	-
Federal Government	3,050	2,129
First Nations	-	-
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other Trade Payables and Accrued Liabilities	780,621	2,644,445
Total	\$ 1,102,509	3,029,286

### 6. DEFERRED REVENUE

	2007	2006 (Restated)
Infrastructure Maintenance Program (from AI&T)	14,711	158,129
Infrastructure- Modernizations, Demolitions, Block Mod, Utilization	-	-
Infrastructure Maintenance Renewal (from Learning)	861,537	1,284,938
Alberta Initiative for School Improvement (from Education)	56,409	10,922
Other	188,560	128,262
Total	\$1,121,217	\$ 1,582,251



## 7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2007	2006
Deferred Salary Leave Plan		
Scholarship Trusts	253,190	246,735
Student Health Initiative Trust (SHI Banker Board)	-	-
Children and Youth with Complex Needs (Banker Board)	-	-
Total	253,190	246,735

## 8. LONG TERM DEBT

### a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.75% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$1,008,430	\$537,827	\$1,546,257
2008-2009	851,711	428,564	1,280,275
2009-2010	771,106	337,115	1,108,221
2010-2011	586,247	254,854	841,101
2011-2012	455,837	193,928	649,765
2012 to maturity	1,460,081	411,452	1,901,533
Total	\$5,133,412	\$2,163,740	\$7,327,152

### b) Capital Leases – Unsupported

Currently, there are no capital leases held by the jurisdiction.

## 9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

## 10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.



## 11. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>2006-2007</b>				
<b>Government of Alberta:</b>				
Education	\$314,213	-	\$34,502,821	-
Infrastructure & Transportation	\$538,976	-	-	-
Finance	\$318,838	\$318,838	\$584,038	-
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta departments	-	-	613,127	-
<b>Other:</b>				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Other related parties	-	-	-	-
<b>TOTAL 2006-2007</b>	<b>\$1,172,027</b>	<b>\$318,838</b>	<b>\$35,699,986</b>	<b>-</b>
<b>TOTAL 2005-2006</b>	<b>\$5,864,593</b>	<b>\$382,712</b>	<b>\$34,812,601</b>	<b>-</b>

Contingencies or Contractual Obligations with related parties are under separate disclosure.

## 12. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

## 13. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 16, 2006. It is presented for information purposes only.

## 14. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

## 15. RENUMERATION AND MONETARY INCENTIVES

The Peace River School Division had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair - Bonnie Paulovich	1.0	\$15,515	\$2,283	\$0			\$9,979
Other members							
Sherry Crawford	1.0	\$9,100	\$2,215	\$0			\$2,746
Colin Needham	1.0	\$6,382	\$155	\$0			\$2,985
Louise Woroniuk	1.0	\$12,271	\$2,154	\$0			\$4,105
Trudy Keillor	1.0	\$11,845	\$2,151	\$0			\$5,416
Nan Bartlett	1.0	\$10,397	\$1,767	\$0			\$8,856
Judy Cox	1.0	\$9,840	\$1,003	\$0			\$5,114
<b>Subtotal</b>	<b>7.0</b>	<b>\$75,350</b>	<b>\$11,708</b>	<b>\$0</b>			<b>\$39,202</b>
Superintendent Greg Woronuk	1.0	\$135,836	\$9,376	\$0	\$0	\$0	\$21,456
Secretary/Treasurer M. Peter Neale	1.0	\$111,500	\$23,411	\$0	\$0	\$0	\$12,453
Certificated Teachers	184.8	\$14,576,236	\$1,547,241	\$0	\$0	\$0	
Non-certificated - Other	185.8	\$7,665,663	\$989,294	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$22,564,585</b>	<b>\$2,581,030</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,111</b>

## 16. PRIOR PERIOD ADJUSTMENTS

During the year, the School Division determined that several prior period adjustments were required as follows:

- Capital purchases made in 2006 were funded through the operating reserve when they should in fact have been funded through the capital reserve. This adjustment impacts the capital and operating reserves.
- Investment income being transferred to reserves was also being deferred. As this income was earned in the periods deferral was not appropriate. This adjustment will have an impact on the prior years deferred revenue, unrestricted net assets and investment income.
- It was determined that some supported assets physically disposed of in previous years were never recorded as dispositions. This adjustment will have an impact on the capital assets, unamortized capital allocations, investment in capital assets and amortization of capital asset expenses.
- It was determined that in previous years amortization on all buildings was being reported as supported. The supported amortization of capital assets and related amortization of capital allocations should be for all supported assets held by the School Division. This adjustment will have an impact on the unamortized capital allocations, the investment in capital assets as well as the amortization of capital allocations and supported amortization of capital assets.

For the prior year the impact of these corrections have resulted in a decrease to Buildings in the amount of \$465,995, a decrease to deferred revenue of \$380,002, a decrease to unamortized capital allocations of \$553,742, an increase to unrestricted net assets of \$380,002, an increase to operating reserves of \$625,376, an increase to investment in capital assets of \$87,746, a decrease to capital reserves of \$625,376, an increase to investment income of \$72,546, a decrease to amortization of capital allocations of \$75,738, a decrease to supported amortization of capital assets of \$75,738, and an increase to unsupported amortization of capital assets of \$28,444.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Peace River School Division No. 10**

Legal Name of School Jurisdiction

**10018-101 Street, Peace River, Alberta T8S 2A5**

Mailing Address

**Phone: (780)624-3601 Fax: (780) 624-5941**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**M. Peter Neale**

Name

**"ORIGINAL SIGNED"**

Signature

**November 27, 2007**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L6  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 423-8996

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<b>SCHEDULE C    ECS to Grade 12 Instruction Programs Expense Details</b>	<b>4</b>
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<b>SCHEDULE D    Under (Over) Maximum Limit</b>	<b>5</b>
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**SCHEDULE A**

School Jurisdiction Code

1070

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$33,986,281	\$24,217,427	\$3,190,060	\$4,867,947	\$1,710,847	\$0
(2) Alberta Infrastructure & Transportation	\$514,085	\$0	\$514,085			
(3) Alberta Finance	\$584,038		\$584,038			\$0
(4) Other - Government of Alberta	\$615,582	\$445,448	\$0	\$0	\$0	\$170,133
(5) Federal Government and/or First Nations	\$244,968	\$221,122	\$23,846	\$0	\$0	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$179,335	\$179,335				
(10) Transportation fees	\$27,540			\$27,540		
(11) Other sales and services	\$471,328	\$107,970	\$77,502	\$46,317	\$2,648	\$238,890
(12) Investment income	\$410,195	\$311,682	\$82,561	\$0,524	\$6,128	\$0
(13) Gifts and donations	\$48,262	\$48,262	\$0	\$0		\$0
(14) Rentals of facilities	\$61,517	\$0	\$61,517	\$0	\$0	\$0
(15) Net school generated funds	\$412,888	\$412,888			\$0	
(16) Gains on disposal of capital assets	\$17,187	\$0	\$950	\$18,247	\$0	\$0
(17) Amortization of capital allocations	\$2,077,525	\$0	\$2,077,525	\$0		\$0
(18) TOTAL REVENUES	\$39,650,742	\$25,944,435	\$6,612,085	\$4,967,575	\$1,719,623	\$407,023
<b>EXPENSES</b>						
(19) Certificated salaries	\$14,712,073	\$14,298,758			\$334,654	\$78,663
(20) Certificated benefits	\$1,556,614	\$1,523,790			\$24,404	\$8,420
(21) Non-certificated salaries and wages	\$7,852,512	\$4,214,514	\$982,118	\$1,839,101	\$668,994	\$147,783
(22) Non-certificated benefits	\$1,024,413	\$514,348	\$152,948	\$209,351	\$124,072	\$23,693
(23) SUB - TOTAL	\$25,145,612	\$20,551,410	\$1,135,067	\$2,048,452	\$1,152,125	\$258,558
(24) Services, contracts & supplies	\$8,378,048	\$3,445,513	\$2,803,511	\$1,781,178	\$400,561	\$145,286
(25) Cost recoveries between programs	\$0	\$57,010	(\$50,340)	\$5,000	(\$13,670)	\$2,000
(26) Net school generated funds	\$412,888	\$412,888				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$2,077,525	\$0	\$2,077,525	\$0	\$0	\$0
(28) Unsupported	\$722,395	\$71,683	\$123,371	\$494,999	\$32,342	\$0
(29) Total Amortization	\$2,799,920	\$71,683	\$2,200,896	\$494,999	\$32,342	\$0
Interest on capital debt						
(30) Supported	\$584,038	\$0	\$584,038	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$2,497	\$977	\$641	\$87	\$792	\$0
(33) Losses on disposal of capital assets	\$9,241	\$2,505	\$0	\$8,736	\$0	\$0
(34) TOTAL EXPENSES	\$37,330,244	\$24,541,985	\$6,473,813	\$4,336,452	\$1,572,150	\$405,845
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,320,497	\$1,402,449	\$138,272	\$631,123	\$147,474	\$1,178

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$17,234,317
Additional Funding for Differential Cost Factors	\$15,082,340
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$781,788
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AIS)	\$371,514
SuperNet Services	\$121,100
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$45,214
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (describe):	Ward 7 Study/Wireless Project
	\$350,000
<b>Total Alberta Education Revenues</b>	<b>\$33,988,281</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$2,777,140	\$1,928,755	\$1,418,805		\$57,010	\$0	\$6,181,710
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$930,832	\$242,170	\$5,417		\$0		\$1,178,419
ECS Program Unit (PUF)	\$202,038	\$280,351	\$88,287		\$0		\$551,685
Severe Disabilities (Gr 1-12)	\$141,118	\$1,338,487	\$318,118		\$0		\$1,793,704
English as a Second Language (ESL)	\$80,891	\$14,878	\$0		\$0		\$95,767
French Language & Francisation	\$18,882	\$0	\$0		\$0		\$18,882
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$170,020	\$302,153	\$95,718		\$0		\$567,891
Alberta Initiative for School Improvement	\$281,239	\$0	\$88,105	\$0	\$0		\$369,344
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$121,100		\$0		\$121,100
Class Size Initiative	\$780,788	\$0	\$0	\$0	\$0		\$780,788
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$10,438,910	\$823,543	\$1,209,491	\$112,271	\$0	\$0	\$12,584,909
<b>TOTAL EXPENSES</b>	<b>\$15,822,548</b>	<b>\$4,728,314</b>	<b>\$3,321,150</b>	<b>\$112,271</b>	<b>\$57,010</b>	<b>\$0</b>	<b>\$24,541,985</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.8	884.0
ECS Program Unit (PUF)	2.1	7.2
Severe Disabilities (Gr 1-12)	1.5	48.1

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$37,330,244</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>5.40%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<small>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0003 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0003 = 0.75% plus .4% = maximum expense limit of 4.75%).</small>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$2,015,833</b>
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$56,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1 - 12 funded enrollment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,015,833</b>
Less 2006/2007 Board and System Administration expenses		<b>-\$1,572,150</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$443,684</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$606,548</b>																								
<b>Sources of School Generated Funds:</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th align="center">Gross SGF</th> <th align="center">Related Expenses</th> <th align="center">Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$1,236,756</td> <td align="right">\$812,720</td> <td align="right">\$424,036</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$41,141</td> <td align="right">\$0</td> <td align="right">\$41,141</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$3,423</td> <td align="right">\$0</td> <td align="right">\$3,423</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$0</td> <td align="right">\$0</td> <td align="right">\$0</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td align="right"><b>\$1,281,322</b></td> <td align="right"><b>\$812,720</b></td> <td align="right"><b>\$468,602</b></td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$1,236,756	\$812,720	\$424,036	Student fees (Non-Instructional) (Note 1)	\$41,141	\$0	\$41,141	Donations and grants to schools	\$3,423	\$0	\$3,423	Other (describe):	\$0	\$0	\$0	<b>Net Additions to SGF</b>	<b>\$1,281,322</b>	<b>\$812,720</b>	<b>\$468,602</b>	
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<b>Net SGF Available</b>		<b>\$1,075,148</b>																								
<b>Uses of Net School Generated Funds:</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$255,627</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$0</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$90,482</td> </tr> <tr> <td>Equipment</td> <td align="right">\$0</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe): Yearbook/Grad</td> <td align="right">\$86,779</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td align="right"><b>\$412,888</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$255,627	School site beautification	\$0	Field Trips	\$90,482	Equipment	\$0	Family literacy and other community resources	\$0	Other (describe): Yearbook/Grad	\$86,779	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$412,888</b>											
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<b>Total Uses of Net SGF (Note 2)</b>	<b>\$412,888</b>																									
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$662,260</b>																								
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>																										
<b>Notes:</b>																										
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classroom). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>																										
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>																										
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>																										





**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Peace Wapiti School Division No 76**

Legal Name of School Jurisdiction

**8611A - 108 Street, Grande Prairie, Alberta, T8V 4C5**

Mailing Address

**(780)532-8133 (780)532-4234**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Peace Wapiti School Division No 76  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Mrs. Sonia Ens**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Mr. G. Sheldon Rowe**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Mrs. Leslie Cage**

Name

**"ORIGINAL SIGNED"**

Signature

**29-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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## AUDITORS' REPORT

To the Board of Trustees of **Peace Wapiti School Division No. 76**

We have audited the statement of financial position of **Peace Wapiti School Division No. 76** as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grande Prairie, Alberta  
November 8, 2007

*Fletcher Mudryk & Co.*  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**  
(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$10,857,330	\$8,063,967
Accounts receivable (net after allowances)	\$2,272,129	\$2,573,045
Prepaid expenses	\$142,228	\$109,648
Other current assets	\$347,486	\$316,173
<b>Total current assets</b>	<b>\$13,619,173</b>	<b>\$11,062,831</b>
School generated assets	\$953,284	\$864,195
Trust assets	\$82,943	\$100,100
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,908,250	\$1,908,250
Buildings	\$71,756,370	
Less: accumulated amortization	(\$40,894,520)	\$31,061,850
Equipment	\$3,883,531	
Less: accumulated amortization	(\$2,280,946)	\$1,602,585
Vehicles	\$11,245,745	
Less: accumulated amortization	(\$5,587,999)	\$5,657,746
<b>Total capital assets</b>	<b>\$40,230,431</b>	<b>\$39,211,045</b>
<b>TOTAL ASSETS</b>	<b>\$54,885,811</b>	<b>\$51,238,171</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$4,080,016	\$4,382,091
Deferred revenue	\$1,797,057	\$526,128
Deferred capital allocations	\$4,026,586	\$2,284,819
Current portion of all long term debt	\$1,274,682	\$1,280,015
<b>Total current liabilities</b>	<b>\$11,178,341</b>	<b>\$8,453,051</b>
School generated liabilities	\$953,284	\$864,195
Trust liabilities	\$82,943	\$100,100
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$7,211,893	\$8,491,908
Less: Current portion of supported debt	(\$1,274,682)	(\$1,280,015)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$21,748,047	\$19,513,472
<b>Total long term liabilities</b>	<b>\$28,721,465</b>	<b>\$27,689,660</b>
<b>TOTAL LIABILITIES</b>	<b>\$39,899,806</b>	<b>\$36,142,711</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$3,034	\$75,663
Operating Reserves	\$2,046,185	\$2,287,706
Accumulated Operating Surplus (Deficit)	\$2,049,219	\$2,343,369
Investment in capital assets	\$11,270,492	\$11,205,664
Capital Reserves	\$1,666,294	\$1,546,427
<b>Total Capital Funds</b>	<b>\$12,936,786</b>	<b>\$12,752,091</b>
<b>Total net assets</b>	<b>\$14,966,005</b>	<b>\$15,095,460</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$54,885,811</b>	<b>\$51,238,171</b>

Note: Input "Restated" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$51,057,263	\$50,440,702	\$49,581,391
Federal Government and/or First Nations	\$1,088,530	\$1,220,000	\$1,174,122
Other Alberta school authorities	\$362,375	\$291,000	\$156,921
Out of province authorities	\$295,038	\$256,500	\$234,743
Alberta Municipalities (excluding supplementary regulations)	\$67,857	\$66,850	\$66,857
Instruction resource fees	\$518,287	\$301,180	\$493,230
Transportation fees	\$0	\$0	\$0
Other sales and services	\$541,450	\$180,700	\$577,842
Investment income	\$346,558	\$210,700	\$239,458
Gifts and donations	\$137,835	\$51,246	\$209,700
Rentals of facilities	\$253,200	\$209,000	\$149,197
Net school generated funds	\$1,228,098	\$1,000,000	\$1,319,680
Gains on disposal of capital assets	\$123,382	\$50,000	\$118,262
Amortization of capital allocations	\$1,891,852	\$1,400,000	\$1,468,040
<b>Total Revenues</b>	<b>\$57,711,723</b>	<b>\$55,657,878</b>	<b>\$55,789,451</b>
<b>EXPENSES</b>			
Certificated salaries	\$25,606,069	\$25,486,879	\$25,267,942
Certificated benefits	\$2,829,534	\$2,895,984	\$2,679,434
Non-certificated salaries and wages	\$10,201,127	\$9,773,549	\$9,209,488
Non-certificated benefits	\$2,176,380	\$2,051,499	\$1,923,106
Services, contracts and supplies	\$11,950,516	\$11,589,167	\$11,286,547
Net school generated funds	\$1,228,098	\$1,000,000	\$1,319,680
Capital and debt services			
Amortization of capital assets			
Supported	\$1,891,852	\$1,400,000	\$1,468,040
Unsupported	\$1,420,565	\$1,394,860	\$1,415,065
<b>Total Amortization of capital assets</b>	<b>\$3,312,417</b>	<b>\$2,794,860</b>	<b>\$2,883,105</b>
Interest on capital debt			
Supported	\$789,844	\$775,000	\$924,361
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$789,844</b>	<b>\$775,000</b>	<b>\$924,361</b>
Other interest charges	\$3,103	\$3,750	\$7,474
Losses on disposal of capital assets	\$1,215	\$0	\$0
<b>Total Expenses</b>	<b>\$57,898,303</b>	<b>\$56,350,688</b>	<b>\$55,501,137</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$186,580)</b>	<b>(\$692,810)</b>	<b>\$288,314</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$186,580)</b>	<b>(\$692,810)</b>	<b>\$288,314</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	(\$186,580)	\$288,314
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,691,852)	(\$1,468,040)
Total amortization expense	\$3,112,417	\$2,883,105
Gains on disposal of capital assets	(\$123,382)	(\$118,262)
Losses on disposal of capital assets	\$1,215	\$0
Changes in accrued accounts:		
Accounts receivable	\$300,916	\$941,517
Prepays and other current assets	(\$63,895)	(\$4,125)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$302,075)	\$806,984
Deferred revenue	\$1,270,931	\$112,177
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$2,317,695	\$3,441,670
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,597,924)	(\$1,169,263)
Equipment	(\$338,610)	(\$113,003)
Vehicles	(\$1,210,458)	(\$704,437)
Net proceeds from disposal of capital assets	\$153,886	\$118,262
Other (describe)	\$97,262	\$0
Total sources (uses) of cash from Investing activities	(\$3,895,844)	(\$1,868,441)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$4,371,512	\$1,651,527
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,280,015)	(\$1,287,491)
Add back: supported portion	\$1,280,015	\$1,287,491
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$4,371,512	\$1,651,527
Net sources (uses) of cash during year	\$2,793,363	\$3,224,756
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$8,063,967	\$4,839,211
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$10,857,330	\$8,063,967

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$15,095,460	\$11,205,664	\$75,663	\$2,267,706	\$1,546,427
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$15,095,460	\$11,205,664	\$75,663	\$2,267,706	\$1,546,427
Excess(def) of revenue over expenses	(\$186,580)		(\$186,580)		
Board funded capital transactions		\$1,500,580	\$0	\$0	(\$1,500,580)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$3,112,417)	\$3,112,417		
Amortization of capital allocations		\$1,691,852	(\$1,691,852)		
Disposal of unsupported capital assets	\$0	(\$31,719)	(\$90,448)		\$122,167
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$1,119,522)	\$1,119,522	
Net transfers from operating reserves			\$1,341,043	(\$1,341,043)	
Net transfers to capital reserves			(\$1,421,155)		\$1,421,155
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$77,125	\$16,532	(\$16,532)	\$0	\$77,125
Balance at August 31, 2007	\$14,986,005	\$11,270,492	\$3,034	\$2,046,185	\$1,666,294

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$2,264,819	\$19,513,472
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$2,264,819	\$19,513,472
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$3,779,565	
Infrastructure & Transportation-School/Modular Project Capital *	\$437,169	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$95,042	
Interest earned on provincial government capital allocations	\$59,736	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,280,015
Expended capital allocations - current year	(\$2,646,412)	\$2,646,412
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	(\$36,667)	\$0
Capital allocations amortized to revenue		\$1,691,852
Balance at August 31, 2007	\$4,026,586	\$21,748,047

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

**1. AUTHORITY AND PURPOSE**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The School Jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**Inventories**

Inventories are recorded at the lower of cost and net realizable value.

**Capital assets**

Capital assets are recorded at cost and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% to 4%
Vehicles and buses	9% to 12.5%
Equipment and furnishings	20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense. No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income.

**Investments**

Short-term investments are valued at the lower of cost or market. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

**PEACE WAPITI SCHOOL DIVISION NO. 76  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007**

2. **SIGNIFICANT ACCOUNTING POLICIES – continued**

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

School generated funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Peace Wapiti School Division No. 76 does not make pension contributions for certificated staff.

The School Jurisdiction participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$297,379 (2006 – \$252,630) for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the School Jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

Employee future benefits

The School Jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2007, the recorded obligation is \$574,260 (2006 – \$772,626).

Financial instruments

These consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the School Jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

3. CASH AND TEMPORARY INVESTMENTS

	<u>2007</u>	<u>2006</u>
Cash	\$ 8,069,843	\$ 6,646,280
Temporary investments	<u>2,787,487</u>	<u>1,417,687</u>
	<u>\$ 10,857,330</u>	<u>\$ 8,063,967</u>

Cash in banks bears interest at a rate of prime minus 1.8%.

Temporary investments are readily convertible to cash, consist of fixed income investments, bear interest at rates between 4.00% and 4.85% and mature between October, 2008 and July, 2010.

**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

4. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Province of Alberta	\$ 1,547,891	\$ 1,860,107
Federal Government and/or First Nations	374,925	206,873
Other (net after allowance)	<u>349,313</u>	<u>506,065</u>
	<u>\$ 2,272,129</u>	<u>\$ 2,573,045</u>

5. LINE OF CREDIT

The School Jurisdiction has negotiated a line of credit in the amount of \$4,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the School Jurisdiction. There was no balance outstanding on the line of credit as at August 31, 2007.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2007</u>	<u>2006</u>
Province of Alberta	\$ 470,503	\$ 551,603
Federal Government and/or First Nations	544,042	579,685
Other trade payables and accrued liabilities	<u>3,065,471</u>	<u>3,250,803</u>
	<u>\$ 4,080,016</u>	<u>\$ 4,382,091</u>

7. DEFERRED REVENUE

	<u>2007</u>	<u>2006</u>
Alberta Infrastructure	\$ 1,333,294	\$ 304,581
Alberta Education	438,166	192,789
Other	<u>25,597</u>	<u>28,756</u>
	<u>\$ 1,797,057</u>	<u>\$ 526,126</u>

**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

**8. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the School Jurisdiction.

	<u>2007</u>	<u>2006</u>
Scholarship trusts	\$ 29,741	\$ 27,228
Other	<u>53,202</u>	<u>72,872</u>
	<u>\$ 82,943</u>	<u>\$ 100,100</u>

**9. LONG-TERM DEBT**

**(a) Debenture Debt – Supported**

The debenture debt bears interest at rates varying between 9.5% and 12.0%. The debenture debt is fully supported by Alberta Finance.

	<u>2007</u>	<u>2006</u>
Debentures	\$ 7,211,893	\$ 8,491,908
Less current portion	<u>1,274,682</u>	<u>1,280,015</u>
	<u>\$ 5,937,211</u>	<u>\$ 7,211,893</u>

Debenture payments due over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,274,682	\$ 737,017	\$ 2,011,699
2009	\$ 1,161,941	\$ 603,603	\$ 1,765,544
2010	\$ 1,068,310	\$ 483,367	\$ 1,551,677
2011	\$ 1,018,392	\$ 374,303	\$ 1,392,695
2012	\$ 880,618	\$ 271,230	\$ 1,151,848

**(b) Capital Leases – Unsupported**

There are currently no capital leases held by the School Jurisdiction.

**10. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

**PEACE WAPITI SCHOOL DIVISION NO. 76  
NOTES TO THE AUDITED FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2007**

**11. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully supported debenture principal repayments.

**12. ASSET RETIREMENT OBLIGATIONS**

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The School Jurisdiction has a legal obligation to remove hazardous material located under the site of the central office building upon its disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

**13. COMMITMENTS**

**(a) Personnel contracts**

The School Jurisdiction has entered into personnel contracts with its executive management team. In the event that these contracts are cancelled or not renewed by the School Jurisdiction, there could be a liability incurred as per the termination clauses in the executive contracts.

**(b) Building contracts**

The School Jurisdiction is committed to further capital expenditures for various capital projects of approximately \$9,000,000 (2006 – \$12,419,968). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure and Transportation.

**14. CONTINGENCIES**

**Contingent asset**

The School Jurisdiction is a member of a reciprocal insurance exchange called the Alberta School Board Insurance Exchange (ASBIE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

**Contingent liability**

Under the terms of membership of ASBIE, the School Jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

**15. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, School Jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are not related parties of School Jurisdictions. These include government departments, health authorities, post-secondary institutions and other School Jurisdictions in Alberta.

During the year, the School Jurisdiction had the following transactions and balances with related parties:

2006 – 2007	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$ 1,077,370	\$ -	\$ 51,057,263	\$ -
Infrastructure and transport	-	-	4,216,734	-
Finance	470,503	470,503	-	-
Other departments	-	-	-	789,844
<b>Other:</b>				
Post-secondary institutions	30,667	-	44,852	-
Alberta School Jurisdictions	-	-	362,375	-
<b>TOTAL 2006 – 2007</b>	<b>\$ 1,578,540</b>	<b>\$ 470,503</b>	<b>\$ 55,681,224</b>	<b>\$ 789,844</b>
<b>TOTAL 2005 – 2006</b>	<b>\$ 1,978,270</b>	<b>\$ 761,691</b>	<b>\$ 49,788,319</b>	<b>\$ 924,361</b>

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

**16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

The School Jurisdiction's primary source of income is from the Alberta Government. The School Jurisdiction's ability to continue viable operations is dependent on this funding.

**17. BUDGET AMOUNTS**

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees on June 22, 2006. It is presented for information purposes only and has not been audited.

**PEACE WAPITI SCHOOL DIVISION NO. 76**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2007**

**18. REMUNERATION AND MONETARY INCENTIVES**

The Peace Wapiti School Division No. 76 has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions in groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIPs/ Other</b>	<b>Expenses</b>
Chair - Sonia Ens	1.0	\$ 24,359	\$ 6,219	\$ -	\$ -	\$ -	\$ 13,458
Other members	0.0	-	-	-	-	-	-
Christine Schief	1.0	17,684	5,501	-	-	-	4,037
Tammy Day	1.0	17,273	4,968	-	-	-	6,903
Olive Emerson	1.0	17,384	5,455	-	-	-	9,318
Dana McIntosh	1.0	20,655	5,815	-	-	-	5,502
Wendy Olson-Lepchuk	1.0	16,481	5,359	-	-	-	7,454
Sherri Peterson	1.0	12,696	5,015	-	-	-	3,931
Lynne Phillips	1.0	18,203	4,281	-	-	-	8,059
James Sherman	1.0	13,550	3,615	-	-	-	4,938
<b>Subtotal</b>	<b>9.0</b>	<b>158,285</b>	<b>46,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,600</b>
Superintendent							
(1) Darwin Eckstrom	0.0	3,500	-	-	-	3,789	-
Superintendent							
(2) Don Jenkins	0.4	54,771	3,942	-	-	15,853	6,181
Superintendent							
(3) Sheldon Rowe	0.6	77,553	9,329	-	-	-	4,242
Board Secretary							
(1) JoAnn Vanstone	1.0	57,236	14,006	-	-	-	5,236
Board Treasurer							
(1) Leslie Cage	1.0	100,000	19,385	-	-	-	5,425
Certificated Teachers	329.0	25,470,245	2,816,263	-	-	-	-
Non-certificated - Other	381.1	9,885,606	2,096,761	-	-	-	-
<b>TOTALS</b>		<b>\$ 35,807,196</b>	<b>\$ 5,005,914</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,642</b>	



**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**Peace Wapiti School Division No 76**

Legal Name of School Jurisdiction

**8611A - 108 Street, Grande Prairie, Alberta, T8V 4C5**

Mailing Address

**(780) 532 - 8133      (780) 532 - 4234**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Leslie Cage**

Name

**"ORIGINAL SIGNED"**

Signature

**Nov.29,2007**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 16155-182 Street, Edmonton AB T6J 4L6  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE A**

School Jurisdiction Code

177

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$50,101,184	\$38,761,033	\$5,668,008	\$5,659,179	\$956	\$12,008
(2) Alberta Infrastructure & Transportation	\$4,200	\$0	\$4,200			
(3) Alberta Finance	\$789,844		\$789,844			\$0
(4) Other - Government of Alberta	\$162,035	\$88,272	\$37,700	\$35,003	\$221	\$839
(5) Federal Government and/or First Nations	\$1,088,530	\$948,400	\$98,963	\$0	\$43,167	\$0
(6) Other Alberta school authorities	\$362,375	\$75,606	\$0	\$4,850	\$0	\$281,919
(7) Out of province authorities	\$295,036	\$211,893	\$0	\$71,342	\$11,801	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$67,857	\$67,857	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$518,287	\$518,287				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$541,450	\$348,789	\$24,069	\$50,771	\$87,154	\$30,607
(12) Investment income	\$346,558	\$231,122	\$51,208	\$34,138	\$30,090	\$0
(13) Gifts and donations	\$137,835	\$65,850	\$0	\$0		\$71,985
(14) Rentals of facilities	\$253,200	\$0	\$1,060	\$126,815	\$12,800	\$112,525
(15) Net school generated funds	\$1,228,098	\$1,228,098			\$0	
(16) Gains on disposal of capital assets	\$123,382	\$4,250	\$0	\$119,132	\$0	\$0
(17) Amortization of capital allocations	\$1,691,852	\$0	\$1,691,852	\$0		\$0
(18) TOTAL REVENUES	\$57,711,723	\$42,547,457	\$8,366,904	\$6,101,230	\$186,189	\$509,943
<b>EXPENSES</b>						
(19) Certificated salaries	\$25,806,069	\$25,242,264			\$358,084	\$5,721
(20) Certificated benefits	\$2,829,534	\$2,801,625			\$27,556	\$353
(21) Non-certificated salaries and wages	\$10,201,127	\$5,143,798	\$976,362	\$3,082,603	\$821,831	\$76,733
(22) Non-certificated benefits	\$2,176,380	\$1,070,485	\$181,550	\$707,328	\$208,938	\$10,097
(23) SUB - TOTAL	\$40,813,110	\$34,258,152	\$1,157,912	\$3,789,932	\$1,514,210	\$92,904
(24) Services, contracts & supplies	\$11,950,516	\$4,228,921	\$4,788,682	\$1,840,200	\$636,434	\$478,279
(25) Cost recoveries between programs	\$0	\$428,345	(\$89,468)	(\$260,435)	\$88,693	(\$155,135)
(26) Net school generated funds	\$1,228,098	\$1,228,098				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,691,852	\$0	\$1,691,852	\$0	\$0	\$0
(28) Unsupported	\$1,420,565	\$123,969	\$56,414	\$1,046,048	\$98,239	\$95,895
(29) Total Amortization	\$3,112,417	\$123,969	\$1,748,266	\$1,046,048	\$98,239	\$95,895
Interest on capital debt						
(30) Supported	\$789,844	\$0	\$789,844	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$3,103	\$7	\$0	\$0	\$3,096	\$0
(33) Losses on disposal of capital assets	\$1,215	\$0	\$0	\$1,215	\$0	\$0
(34) TOTAL EXPENSES	\$57,898,303	\$40,265,492	\$8,365,236	\$6,416,960	\$2,340,672	\$509,943
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$186,580)	\$2,281,965	\$1,668	(\$315,730)	(\$2,154,483)	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$28,045,478
Additional Funding for Differential Cost Factors	\$18,783,577
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,077,197
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISi)	\$518,779
SuperNet Services	\$183,134
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$184,961
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$87,625
Infrastructure Maintenance Renewal (IMR)	\$913,438
Other Funding from Alberta Education (describe)      Contracts, FSL	\$386,984
<b>Total Alberta Education Revenues</b>	<b>\$50,101,184</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction					
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses
School Administration & Instruction Support	\$2,805,052	\$1,896,121	\$252,333		\$0	\$7
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$1,244,745	\$539,325	\$188,525		\$0	
ECS Program Unit (PUP)	\$0	\$247,238	\$131,438		\$0	
Severe Disabilities (Gr 1-12)	\$130,238	\$1,853,028	\$103,835		\$0	
English as a Second Language (ESL)	\$0	\$99,291	\$0		\$0	
French Language & Francisation	\$0	\$0	\$0		\$0	
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0	
First Nations, Metis and Inuit Education	\$6,830	\$195,891	\$50,185		\$0	
Alberta Initiative for School Improvement	\$332,454	\$2,048	\$72,876	\$108,650	\$0	
Student Health Initiative	\$0	\$0	\$0		\$0	
SuperNet Service			\$377,394		\$0	
Class Size Initiative	\$1,077,197	\$0	\$0	\$0	\$0	
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0	
All Other Student Instruction Expenses (ECS - Gr 12)	\$22,845,575	\$1,281,321	\$1,441,621	\$1,621,833	\$0	\$1,352,087
<b>TOTAL EXPENSES</b>	<b>\$29,043,889</b>	<b>\$6,214,283</b>	<b>\$2,617,887</b>	<b>\$1,730,283</b>	<b>\$0</b>	<b>\$1,352,074</b>
<b>FULL-TIME-EQUIVALENCIES (Board/Contract)</b>	<b>FTE Certificated</b>	<b>FTE Non-certificated</b>				
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	14.4	29.3				
ECS Program Unit (PUP)	0.0	9.3				
Severe Disabilities (Gr 1-12)	1.5	69.9				

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$67,898,303
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,541,738
<b>Considerations for Charter Schools and Small School Boards</b>	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,541,738
Less: 2006/2007 Board and System Administration expenses	-\$2,340,672
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$201,066

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$864,186																		
<b>Sources of School Generated Funds:</b>																			
	<table border="1"> <thead> <tr> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$1,342,047</td> <td align="right">\$605,506</td> </tr> <tr> <td>Student fees (Non-instructional) (Note 1)</td> <td align="right">\$469,244</td> <td align="right">\$0</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$73,082</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$38,300</td> <td align="right">\$0</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td align="right">\$1,922,673</td> <td align="right">\$605,506</td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$1,342,047	\$605,506	Student fees (Non-instructional) (Note 1)	\$469,244	\$0	Donations and grants to schools	\$73,082	\$0	Other (describe):	\$38,300	\$0	<b>Net Additions to SGF</b>	\$1,922,673	\$605,506
Gross SGF	Related Expenses	Net SGF																	
Fundraising activities	\$1,342,047	\$605,506																	
Student fees (Non-instructional) (Note 1)	\$469,244	\$0																	
Donations and grants to schools	\$73,082	\$0																	
Other (describe):	\$38,300	\$0																	
<b>Net Additions to SGF</b>	\$1,922,673	\$605,506																	
	\$1,317,167																		
<b>Net SGF Available</b>	\$2,181,362																		
<b>Uses of Net School Generated Funds:</b>																			
Extra-curricular activities	\$0																		
School site beautification	\$0																		
Field Trips	\$0																		
Equipment	\$0																		
Family literacy and other community resources	\$0																		
Other (describe):	\$1,228,098																		
<b>Total Uses of Net SGF (Note 2)</b>	\$1,228,098																		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$953,264																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																			



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Legal Name of School Jurisdiction

**5310 49 Street Barrhead AB T7N 1P3**

Mailing Address

**telephone (780)674-8500**

**fax (780)674-3262**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of PEMBINA HILLS REGIONAL DIVISION NO. 7 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Clayton Jespersen**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Richard Harvey**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Tracy J. Meunier, CGA**

Name

**"ORIGINAL SIGNED"**

Signature

**November 14, 2007**

**Board-approved Release Date**

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L8  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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# *Clews & Shoemaker*

CHARTERED ACCOUNTANTS

Graham Rex Clews Professional Corporation

+

John S. Shoemaker Professional Corporation

## AUDITOR'S REPORT

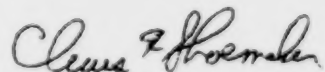
To the Board of Trustees of the Pembina Hills Regional Division No. 7:

We have audited the statement of financial position of Pembina Hills Regional Division No. 7 as at August 31, 2007, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Pembina Hills Regional Division No. 7 as at August 31, 2007, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Westlock, Alberta  
November 2, 2007



CHARTERED ACCOUNTANTS

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

		2007	2006 (Note)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and temporary investments		\$9,445,796	\$5,942,964
Accounts receivable (net after allowances)		\$1,106,768	\$936,125
Prepaid expenses		\$146,186	\$146,828
Other current assets		\$312,151	\$314,865
<b>Total current assets</b>		<b>\$11,014,901</b>	<b>\$7,340,782</b>
School generated assets		\$494,697	\$434,863
Trust assets		\$72,556	\$71,017
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
<b>Capital assets</b>			
Land		\$512,834	\$512,834
Buildings	\$43,348,937		
Less: accumulated amortization	(\$24,068,946)	\$19,279,988	\$14,750,072
Equipment	\$192,060		
Less: accumulated amortization	(\$119,613)	\$72,447	\$15,962
Vehicles	\$6,122,837		
Less: accumulated amortization	(\$3,678,345)	\$2,444,492	\$2,337,101
<b>Total capital assets</b>		<b>\$22,309,761</b>	<b>\$17,615,969</b>
<b>TOTAL ASSETS</b>		<b>\$33,892,115</b>	<b>\$25,462,631</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$875,849	\$1,153,295
Deferred revenue		\$1,301,566	\$599,014
Deferred capital allocations		\$2,360,790	(\$100,504)
Current portion of all long term debt		\$853,991	\$894,010
<b>Total current liabilities</b>		<b>\$5,392,196</b>	<b>\$2,545,815</b>
School generated liabilities		\$494,697	\$434,863
Trust liabilities		\$72,556	\$71,017
Employee future benefits liability		\$0	\$0
Long term payables and accrued liabilities		\$0	\$0
<b>Long term debt</b>			
Supported: Debentures and other supported debt		\$4,722,498	\$5,616,508
Less: Current portion of supported debt		(\$853,991)	(\$894,010)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations		\$13,949,445	\$8,492,366
<b>Total long term liabilities</b>		<b>\$18,385,405</b>	<b>\$13,720,744</b>
<b>TOTAL LIABILITIES</b>		<b>\$23,777,601</b>	<b>\$16,266,559</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$903,070	\$903,069
Operating Reserves		\$4,063,373	\$3,282,245
Accumulated Operating Surplus (Deficit)		\$4,966,443	\$4,185,314
Investment in capital assets		\$3,637,818	\$3,507,095
Capital Reserves		\$1,510,253	\$1,503,663
<b>Total Capital Funds</b>		<b>\$5,148,071</b>	<b>\$5,010,758</b>
<b>Total net assets</b>		<b>\$10,114,514</b>	<b>\$9,196,072</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$33,892,115</b>	<b>\$25,462,631</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$42,026,447	\$41,177,809	\$40,337,526
Federal Government and/or First Nations	\$60,258	\$35,410	\$56,550
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$24,177	\$24,000	\$24,210
Instruction resource fees	\$298,397	\$175,178	\$293,864
Transportation fees	\$105,278	\$97,000	\$92,890
Other sales and services	\$671,568	\$752,449	\$673,008
Investment income	\$447,766	\$158,230	\$443,258
Gifts and donations	\$6,938	\$0	\$19,634
Rentals of facilities	\$9,353	\$9,800	\$30,829
Net school generated funds	\$529,802	\$419,200	\$230,761
Gains on disposal of capital assets	\$21,340	\$6,000	\$245,315
Amortization of capital allocations	\$901,978	\$887,355	\$880,198
<b>Total Revenues</b>	<b>\$45,103,302</b>	<b>\$43,742,431</b>	<b>\$43,328,043</b>
<b>EXPENSES</b>			
Certificated salaries	\$18,871,331	\$19,455,621	\$18,382,506
Certificated benefits	\$2,246,234	\$2,701,387	\$2,278,401
Non-certificated salaries and wages	\$8,296,924	\$8,057,106	\$7,910,090
Non-certificated benefits	\$1,797,732	\$1,613,594	\$1,639,176
Services, contracts and supplies	\$10,232,239	\$9,078,439	\$9,656,708
Net school generated funds	\$529,802	\$419,200	\$230,761
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$901,978	\$887,355	\$880,198
Unsupported	\$444,557	\$402,362	\$433,886
Total Amortization of capital assets	\$1,346,535	\$1,289,717	\$1,314,084
Interest on capital debt			
Supported	\$864,063	\$1,179,109	\$1,019,832
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$864,063	\$1,179,109	\$1,019,832
Other interest charges	\$0	\$8,200	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$44,184,860</b>	<b>\$43,802,373</b>	<b>\$42,431,558</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$918,442	(\$59,942)	\$896,485
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$918,442</b>	<b>(\$59,942)</b>	<b>\$896,485</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$918,442	\$896,485
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$901,978)	(\$880,198)
Total amortization expense	\$1,346,535	\$1,314,084
Gains on disposal of capital assets	(\$21,340)	(\$245,315)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$172,643)	\$819,441
Prepays and other current assets	\$1,356	(\$71,233)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$277,446)	(\$120,289)
Deferred revenue	\$702,552	\$159,959
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,595,478	\$1,672,934
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,465,047)	(\$544,504)
Equipment	(\$72,448)	\$0
Vehicles	(\$502,832)	(\$458,508)
Net proceeds from disposal of capital assets	\$21,340	\$245,316
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$6,018,987)	(\$757,696)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$7,926,341	\$444,000
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$894,010)	(\$901,191)
Add back: supported portion	\$894,010	\$901,191
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$7,926,341	\$444,000
Net sources (uses) of cash during year	\$3,502,832	\$1,359,238
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$5,942,964	\$4,583,726
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$9,445,796	\$5,942,964

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVE®	CAPITAL RESERVES
<b>Balance at August 31, 2006</b>	\$9,196,072	\$3,507,095	\$903,069	\$3,282,245	\$1,503,663
<u>Prior period adjustments (describe)</u>					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2006</b>	\$9,196,072	\$3,507,095	\$903,069	\$3,282,245	\$1,503,663
Excess(def) of revenue over expenses	\$918,442		\$918,442		
Board funded capital transactions		\$575,280	\$0	\$0	(\$575,280)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,346,535)	\$1,346,535		
Amortization of capital allocations		\$901,978	(\$901,978)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$943,632)	\$943,632	
Net transfers from operating reserves			\$162,504	(\$162,504)	
Net transfers to capital reserves			(\$581,870)		\$581,870
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2007</b>	\$10,114,514	\$3,637,818	\$903,070	\$4,063,373	\$1,510,253

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2007**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	(\$100,504)	\$8,492,366
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	(\$100,504)	\$8,492,366
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$7,816,092	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$108,249	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$894,010
Expended capital allocations - current year	(\$5,465,047)	\$5,465,047
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$901,978
Balance at August 31, 2007	\$2,360,790	\$13,949,445

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

**1. AUTHORITY AND PURPOSE**

Pembina Hills Regional Division No. 7 delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003.

The regulation allows for the setting of conditions and use of grant monies. Pembina Hills Regional Division No. 7 is limited on certain funding allocations and administration expenses.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable.

Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increases in net assets in the period in which they are received or receivable.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

**b) Capital Assets**

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 4%
Equipment & Furnishings	10% to 20%
Vehicles & Buses	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**c) School Generated Funds**

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

**d) Vacation Pay**

Vacation Pay is accrued in the period in which the employee earns the benefit. Accumulated sick leave is not recorded as it is not paid to the employee if not taken.

**e) Pensions**

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Pembina Hills Regional Division No. 7 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$196,723 for the year ended August 31, 2007. (2006 = \$176,816). At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).



**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

f) Inventories

Inventories are recorded at the lesser of cost and estimated net realizable value.

g) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into the prepaid expense category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools within Pembina Hills Regional Division No. 7 to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of Pembina Hills Regional Division No. 7, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the jurisdiction at this time.

l) Investments

Investments are recorded at the lower of cost and market value.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

**Notes to the Financial Statements**

**For the Year Ended August 31, 2007**

**3. ACCOUNTS RECEIVABLE**

	<u>2007</u>	<u>2006</u>
Alberta Education	\$106,445	\$161,649
Alberta Infrastructure and Transportation	0	40,308
Alberta Finance	263,478	320,465
Other Province of Alberta	35,192	7,800
Federal Government	177,256	109,191
Alberta Municipalities	14,517	10,367
Other Alberta School Jurisdictions	0	0
Due from Alberta Distance Learning Centre	347,861	0
Other	164,019	286,345
<b>Total</b>	<b>\$1,108,768</b>	<b>\$936,125</b>

**4. OTHER CURRENT ASSETS**

	<u>2007</u>	<u>2006</u>
Patronage Reserves	\$9,921	\$10,138
Inventories:		
Cafeteria food and supplies	1,347	695
Bus garages parts and tires	235,413	236,189
Maintenance shops supplies	65,470	67,843
<b>Total</b>	<b>\$312,151</b>	<b>\$314,865</b>

**5. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit in the amount of \$936,125 that bears interest at the bank prime rate. This line of credit is secured by a Board of Trustees motion and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2007</u>	<u>2006</u>
Alberta Education	\$54,190	\$22,527
Alberta Infrastructure and Transportation	0	0
Alberta Finance	263,478	320,465
Province of Alberta	0	0
Federal Government	28,981	3,634
Alberta Municipalities	0	0
Due to Alberta Distance Learning Centre	0	5,661
Other Trade Payables and Accrued Liabilities	529,200	801,008
<b>Total</b>	<b>\$875,849</b>	<b>\$1,153,295</b>

**7. DEFERRED REVENUE**

	<u>2007</u>	<u>2006</u>
Federal Government - Meadowview CAP Program	0	9,583
Alberta Initiative for School Improvement	114,342	0
Class Size Initiative	272,657	262,357
2006/07 Infrastructure Maintenance Renewal	512,930	0
Alta. Education - Anti Spam Grant	59,038	95,638
Alta. Education - Video Conf. Grant	79,704	140,676
Energy Project	122,900	0
Other	139,995	90,760
<b>Total</b>	<b>\$1,301,566</b>	<b>\$599,014</b>

**8. OTHER REVENUE FROM ALBERTA EDUCATION**

	<u>2007</u>	<u>2006</u>
Special Funding - Textbooks and Other Classroom Resources	\$0	\$87,144
2005/06 Special Funding - Smithsonian Institute	0	5,000
2005/06 Special Funding - Anti Spam Grant	36,599	39,362
2005/06 Special Funding - Video Conf. Grant	60,972	9,323
<b>Total</b>	<b>\$97,571</b>	<b>\$140,829</b>

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

**9. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	<u>2007</u>	<u>2006</u>
Deferred Salary Leave	\$1,722	\$0
Endowment funds for scholarships	70,834	71,017
	<u>\$72,556</u>	<u>\$71,017</u>

**10. LONG-TERM DEBT**

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-2008	853,991	502,594	1,356,585
2008-2009	817,249	408,730	1,225,979
2009-2010	644,001	319,099	963,100
2010-2011	551,095	249,867	800,962
2011-2012	473,029	191,734	664,763
2012 to maturity	1,383,133	343,901	1,727,034
	<u>\$4,722,498</u>	<u>\$2,015,925</u>	<u>\$6,738,423</u>

**11. ALBERTA DISTANCE LEARNING CENTRE - MANAGEMENT SERVICES FEE**

Effective June 2, 1997, Pembina Hills Regional Division No. 7 assumed responsibility for the operation of the Alberta Distance Learning Centre from the Department of Education. The Board and System Administration of Pembina Hills charge their subsidiary, ADLC, a management services fee to provide them with Board and System Administration services. The fee is calculated using the maximum expense limit percentage for Board and System Administration for its community schools, multiplied by ADLC's revenue. The fee is netted out of Pembina Hills Board and System Administration expenses. For the year ended August 31, 2007, the management services fee amounted to \$497,664, broken down as follows:

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

**11. ADLC - MANAGEMENT SERVICES FEE (cont.)**

	<u>2007</u>	<u>2006</u>
Board governance fees	\$31,000	\$25,700
Benefits - board governance	8,000	6,200
Certificated salaries	139,000	138,000
Uncertificated salaries	161,000	146,000
Benefits - system administration	53,000	52,000
Services, contracts and supplies	105,664	67,728
	<u>\$497,664</u>	<u>\$435,628</u>

**12. VISTA VIRTUAL SCHOOL**

Pembina Hills Regional Division No. 7 operates a virtual school, known as the Vista Virtual School, under the authority of the School Act and contracts its subsidiary, the Alberta Distance Learning Centre, to provide the educational services for students registered. Pembina Hills records the funding received from the virtual school and includes the student count in their jurisdiction count. The amount of funding transferred to ADLC is recorded as an expense to Pembina Hills. ADLC nets the amount transferred from Pembina Hills for the virtual school against their expenses.

For 2006/07 there were 1,154 funded students registered with Vista Virtual School (2005/06-1,151). Many of the Vista Virtual students are in grades 11 and 12, returning to high school and taking only one (1) to two (2) courses each.

The total amount of funding transferred to ADLC for the educational services of Vista Virtual students is as follows:

	<u>2007</u>	<u>2006</u>
Certificated Salaries, Student Instruction	\$732,364	\$722,665
Certificated Benefits, Student Instruction	96,931	95,647
Contracts, Services & Supplies, Student Instruction	878,837	860,821
Cert. Salaries, School Admin. & Instruction Support	323,102	318,823
Cert. Benefits, School Admin. & Instruction Support	43,080	48,886
Uncert. Salaries, School Admin. & Instruction Support	64,620	63,765
Uncert Benefits, School Admin. & Instruction Support	15,078	14,878
	<u>\$2,154,012</u>	<u>\$2,125,485</u>

## **PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2007

### **13. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

### **14. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

### **15. COMMITMENTS**

**Building Projects:** The jurisdiction is committed to further capital expenditures for the replacement school for Eleanor Hall School at Clyde, Alberta. The approved budget for the replacement school is \$8,696,938. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

### **16. CONTINGENCIES**

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

### **17. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

### **18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

Pembina Hills Regional Division No. 7's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements

For the Year Ended August 31, 2007

**19. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 14, 2006. It is presented for information purposes only and has not been audited.

**20. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements

For the Year Ended August 31, 2007

**21. REMUNERATION AND MONETARY INCENTIVES**

Pembina Hills Regional Division No. 7 had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair:							
Jespersen, Clayton	1.0	\$28,969	\$5,169	\$0			\$7,758
Other members:							
Borg, Garry	1.0	\$10,198	\$4,212	\$0			\$2,277
Hodge, Laurie	1.0	\$16,168	\$360	\$0			\$3,805
Kubinec, Maureen	1.0	\$8,873	\$4,505	\$0			\$1,155
Nagel, Ken	1.0	\$18,764	\$0	\$0			\$11,552
Venables, Joyce	1.0	\$22,946	\$0	\$0			\$8,345
Volomey, Sharon	1.0	\$20,176	\$908	\$0			\$3,874
<b>Subtotal</b>	<b>7.0</b>	<b>\$126,094</b>	<b>\$15,154</b>	<b>\$0</b>			<b>\$38,766</b>
Superintendent:							
Harvey, Richard	1.0	\$127,000	\$11,654	\$0	\$0	\$0	\$20,075
Secretary/Treasurer:							
Meunier, Tracy	1.0	\$112,080	\$19,355	\$0	\$0	\$0	\$4,885
Certificated Teachers	245.9	\$18,744,331	\$2,234,580	\$0	\$0	\$0	
Non-certificated - Other	325.0	\$8,058,751	\$1,763,223	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$27,168,256</b>	<b>\$4,043,986</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	



**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Legal Name of School Jurisdiction

**5310 49 Street Barrhead AB T7N 1P3**

Mailing Address

**telephone (780)674-8500**

**fax (780)674-3262**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Tracy J. Meunier, CGA**

Name

**"ORIGINAL SIGNED"**

Signature

**November 14, 2007**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10165-102 Street, Edmonton AB T5J 4L3  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE A**

School Jurisdiction Code

1175

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$41,048,745	\$30,840,220	\$4,133,433	\$4,353,395	\$1,721,697	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$864,063		\$864,063			\$0
(4) Other - Government of Alberta	\$113,639	\$4,537	\$8,000	\$7,192	\$0	\$93,910
(5) Federal Government and/or First Nations	\$80,258	\$80,258	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$24,177	\$24,177	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$298,397	\$298,397				
(10) Transportation fees	\$105,278			\$105,278		
(11) Other sales and services	\$671,568	\$178,288	\$58,753	\$102,278	\$25	\$332,224
(12) Investment Income	\$447,766	\$421,722	\$0	\$686	\$25,358	\$0
(13) Gifts and donations	\$6,938	\$5,996	\$0	\$0		\$942
(14) Rentals of facilities	\$9,353	\$3,053	\$8,300	\$0	\$0	\$0
(15) Net school generated funds	\$529,802	\$529,802			\$0	
(16) Gains on disposal of capital assets	\$21,340	\$0	\$8,625	\$12,715	\$0	\$0
(17) Amortization of capital allocations	\$901,978	\$0	\$901,978	\$0		\$0
(18) TOTAL REVENUES	\$45,103,302	\$32,366,450	\$5,981,152	\$4,581,544	\$1,747,080	\$427,076
<b>EXPENSES</b>						
(19) Certificated salaries	\$18,871,331	\$18,831,132			\$240,199	\$0
(20) Certificated benefits	\$2,246,234	\$2,208,399			\$37,835	\$0
(21) Non-certificated salaries and wages	\$8,296,925	\$5,180,447	\$889,878	\$1,742,102	\$574,563	\$129,937
(22) Non-certificated benefits	\$1,797,732	\$1,065,363	\$139,268	\$447,233	\$117,785	\$28,083
(23) SUB - TOTAL	\$31,212,222	\$27,085,341	\$809,144	\$2,189,335	\$970,382	\$158,020
(24) Services, contracts & supplies	\$10,232,239	\$4,076,724	\$3,253,876	\$2,007,663	\$803,468	\$290,508
(25) Cost recoveries between programs	\$0	\$134,666	\$0	(\$105,927)	\$0	(\$28,739)
(26) Net school generated funds	\$529,802	\$529,802				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$901,978	\$0	\$901,978	\$0	\$0	\$0
(28) Unsupported	\$444,556	\$3,395	\$44,507	\$378,621	\$18,033	\$0
(29) Total Amortization	\$1,346,534	\$3,395	\$946,485	\$378,621	\$18,033	\$0
Interest on capital debt						
(30) Supported	\$864,063	\$0	\$864,063	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$44,184,860	\$31,829,928	\$5,873,568	\$4,489,692	\$1,591,863	\$419,789
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$918,442	\$536,522	\$107,584	\$111,852	\$155,197	\$7,287

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$22,458,821
Additional Funding for Differential Cost Factors	\$14,976,827
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,458,752
Student Health Initiative (SHI)	\$328,244
Alberta Initiative for School Improvement (AISi)	\$685,434
SuperNet Services	\$0
Children and Youth with Complex Needs	\$112,478
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$83,738
Infrastructure Maintenance Renewal (IMR)	\$881,284
Other Funding from Alberta Education (descriptive) Alta Ed. Grants - Video conf & Anti-span	\$97,571
Total Alberta Education Revenues	\$41,048,745

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$1,388,780	\$1,884,879	\$842,403		\$28,738	\$3,395	\$4,105,978
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$878,840	\$854,721	\$3,588		\$0		\$1,535,230
ECS Program Unit (PUF)	\$130,400	\$885,782	\$257,284		\$0		\$1,083,456
Severe Disabilities (Gr 1-12)	\$330,075	\$2,110,778	\$88,572		\$0		\$2,509,425
English as a Second Language (ESL)	\$0	\$38,820	\$0		\$0		\$38,820
French Language & Francisation	\$0	\$18,982	\$1,307		\$0		\$20,289
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$88,985	\$28,854		\$0		\$113,419
Alberta Initiative for School Improvement	\$481,545	\$51,101	\$122,788	\$0	\$0		\$685,434
Student Health Initiative	\$172,483	\$18,000	\$139,781		\$0		\$328,244
SuperNet Service			\$144,475		\$0		\$144,475
Class Size Initiative	\$1,458,752	\$0	\$0	\$0	\$0		\$1,458,752
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$829,295	\$0	(\$841,303)	\$883,574	\$105,927	\$529,802	\$16,828,408
TOTAL EXPENSES	\$5,854,250	\$5,537,408	\$885,720	\$883,574	\$134,666	\$533,197	\$31,829,828

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	19.8	25.2
ECS Program Unit (PUF)	1.6	28.6
Severe Disabilities (Gr 1-12)	4.1	81.2

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	<b>\$44,184,880</b>
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,120,873
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	<b>\$2,120,873</b>
Less: 2006/2007 Board and System Administration expenses	-\$1,591,883
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	<b>\$528,990</b>

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	<b>\$434,863</b>		
<b>Sources of School Generated Funds:</b>			
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$658,648	\$484,071	\$194,577
Student fees (Non-instructional) (Note 1)	\$329,619	\$136,769	\$192,850
Donations and grants to schools	\$43,690	\$4,611	\$39,079
Other (describe): Band, Clubs, Sports Teams...	\$327,686	\$184,356	\$163,330
<b>Net Additions to SGF</b>	<b>\$1,359,643</b>	<b>\$769,807</b>	<b>\$589,836</b>
<b>Net SGF Available</b>	<b>\$1,024,696</b>		
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$83,302
School site beautification			\$3,960
Field Trips			\$65,496
Equipment			\$3,756
Family literacy and other community resources			\$138
Other (describe): Band, Clubs, Sports Teams, Student Council...			\$373,150
<b>Total Uses of Net SGF (Note 2)</b>			<b>\$529,802</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	<b>\$494,897</b>		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>			
<b>Notes:</b>			
1	Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.		
2	Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.		
3	Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.		



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Prairie Land Regional Division # 25**

Legal Name of School Jurisdiction

**Bag Service 1400, Hanna, Alberta T0J 1P0**

Mailing Address

**Phone: (403) 854-4481 Fax: (403) 854-2803**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Prairie Land Regional Division # 25

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Duane Roy

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

William Lee

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Sharon Orum

Name

"ORIGINAL SIGNED"

Signature

27-Nov-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L6  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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# ENDEAVOR

## CHARTERED ACCOUNTANTS

Tim L. E. E. B. Mgmt., C.A. <sup>1</sup>  
Judy M. Fairwell, B. Mgmt., C.A.

302-2nd Avenue W.  
Box 2110, Hanna,  
Alberta T0A 1P0

Phone: (403) 854-4421  
Fax: (403) 854-2023

5015 Victoria Avenue  
Box 720, Coronation,  
Alberta T0C 1C0

Phone: (403) 578-4014  
Fax: (403) 578-3561

### *Auditor's Report*

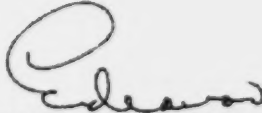
#### **To the Board of Trustees Prairie Land Regional Division #25**

We have audited the statement of financial position of the Prairie Land Regional Division #25 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

**HANNA, ALBERTA  
NOVEMBER 13, 2007**

  
**CHARTERED ACCOUNTANTS**



Member of  
The Institute of Chartered Accountants of Alberta

<sup>1</sup> Chartered operating as a professional corporation

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**

(in dollars)

		2007	2006 (Note)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and temporary investments		\$7,086,715	\$6,235,454
Accounts receivable (net after allowances)		\$285,321	\$354,913
Prepaid expenses		\$48,045	\$25,018
Other current assets		\$0	\$0
<b>Total current assets</b>		<b>\$7,420,081</b>	<b>\$6,615,385</b>
School generated assets		\$291,330	\$286,867
Trust assets		\$679,449	\$673,676
Long term accounts receivable		\$0	\$0
Long term investments		\$20,819	\$20,819
<b>Capital assets</b>			
Land		\$574,670	\$574,670
Buildings	\$32,364,381		
Less: accumulated amortization	(\$15,993,036)	\$16,371,345	\$17,152,237
Equipment	\$1,748,738		
Less: accumulated amortization	(\$798,400)	\$950,338	\$951,639
Vehicles	\$4,974,186		
Less: accumulated amortization	(\$3,096,159)	\$1,878,027	\$1,469,720
<b>Total capital assets</b>		<b>\$19,774,380</b>	<b>\$20,148,266</b>
<b>TOTAL ASSETS</b>		<b>\$28,186,059</b>	<b>\$27,745,013</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$777,877	\$723,857
Deferred revenue		\$1,299,985	\$650,852
Deferred capital allocations		\$372,624	\$361,771
Current portion of all long term debt		\$518,474	\$518,474
<b>Total current liabilities</b>		<b>\$2,968,760</b>	<b>\$2,254,954</b>
School generated liabilities		\$291,330	\$286,867
Trust liabilities		\$679,449	\$673,676
Employee future benefits liability		\$0	\$0
Long term payables and accrued liabilities		\$0	\$0
<b>Long term debt</b>			
Supported: Debentures and other supported debt		\$1,999,709	\$2,518,182
Less: Current portion of supported debt		(\$518,474)	(\$518,474)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Other long term liabilities		\$14,000	\$19,800
Unamortized capital allocations		\$14,093,903	\$14,220,132
<b>Total long term liabilities</b>		<b>\$16,559,917</b>	<b>\$17,200,183</b>
<b>TOTAL LIABILITIES</b>		<b>\$19,528,677</b>	<b>\$19,455,137</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$293,235	\$223,995
Operating Reserves		\$3,144,035	\$3,335,847
Accumulated Operating Surplus (Deficit)		\$3,437,270	\$3,559,842
Investment in capital assets		\$3,680,778	\$3,409,962
Capital Reserves		\$1,539,334	\$1,320,072
<b>Total Capital Funds</b>		<b>\$5,220,112</b>	<b>\$4,730,034</b>
<b>Total net assets</b>		<b>\$8,657,382</b>	<b>\$8,289,876</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$28,186,059</b>	<b>\$27,745,013</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note) Nov Updated	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$18,971,718	\$18,932,601	\$17,799,065
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$38,137	\$0	\$12,571
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$498,517	\$372,446	\$482,019
Instruction resource fees	\$131,900	\$135,211	\$143,665
Transportation fees	\$0	\$0	\$0
Other sales and services	\$50,565	\$35,000	\$126,611
Investment income	\$268,398	\$190,000	\$192,321
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$109,386	\$100,000	\$113,619
Net school generated funds	\$291,330	\$280,000	\$286,867
Gains on disposal of capital assets	\$65,620	\$15,000	\$21,158
Amortization of capital allocations	\$819,003	\$793,785	\$1,028,187
<b>Total Revenues</b>	<b>\$21,244,574</b>	<b>\$20,854,043</b>	<b>\$20,206,083</b>
<b>EXPENSES</b>			
Certificated salaries	\$9,254,560	\$9,465,969	\$8,835,134
Certificated benefits	\$1,063,854	\$1,022,325	\$907,276
Non-certificated salaries and wages	\$4,292,680	\$4,281,279	\$3,924,535
Non-certificated benefits	\$833,107	\$722,498	\$731,376
Services, contracts and supplies	\$3,618,458	\$4,087,119	\$3,200,880
Net school generated funds	\$291,330	\$280,000	\$286,867
Capital and debt services			
Amortization of capital assets			
Supported	\$819,003	\$793,785	\$1,028,187
Unsupported	\$494,007	\$535,500	\$529,082
Total Amortization of capital assets	\$1,313,010	\$1,329,285	\$1,557,269
Interest on capital debt			
Supported	\$203,767	\$203,767	\$250,335
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$203,767	\$203,767	\$250,335
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$6,301	\$0	\$31,469
<b>Total Expenses</b>	<b>\$20,877,067</b>	<b>\$21,392,242</b>	<b>\$19,725,141</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$367,507</b>	<b>(\$538,199)</b>	<b>\$480,942</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$367,507</b>	<b>(\$538,199)</b>	<b>\$480,942</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$367,507	\$480,942
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$819,003)	(\$1,028,187)
Total amortization expense	\$1,313,010	\$1,557,269
Gains on disposal of capital assets	(\$85,620)	(\$21,158)
Losses on disposal of capital assets	\$6,301	\$31,469
Changes in accrued accounts:		
Accounts receivable	\$69,592	\$388,870
Prepays and other current assets	(\$23,027)	\$23,063
Long term accounts receivable	\$0	\$0
Long term investments	\$0	(\$20,819)
Payables and accrued liabilities	\$53,820	(\$233,906)
Deferred revenue	\$649,133	\$56,543
Employee future benefit expense (recovery)	\$0	\$0
Other (describe) Future Employee Benefits -revaluation	(\$5,800)	\$19,801
Total sources (uses) of cash from Operations	\$1,545,913	\$1,253,887
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$35,552)	(\$193,018)
Equipment	(\$182,478)	(\$368,039)
Vehicles	(\$739,868)	(\$383,387)
Net proceeds from disposal of capital assets	\$78,092	\$28,639
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$879,806)	(\$915,805)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$185,153	\$106,837
Issue of long term debt		\$0
Repayment of long term debt	(\$518,473)	(\$518,474)
Add back: supported portion	\$518,474	\$518,474
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$185,154	\$106,837
Net sources (uses) of cash during year	\$851,261	\$444,919
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$6,235,454	\$5,790,535
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$7,086,715	\$6,235,454

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$8,289,876	\$3,409,962	\$223,995	\$3,335,847	\$1,320,072
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$8,289,876	\$3,409,962	\$223,995	\$3,335,847	\$1,320,072
Excess(def) of revenue over expenses	\$367,507		\$367,507		
Board funded capital transactions		\$783,597	\$0		(\$783,597)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,313,010)	\$1,313,010		
Amortization of capital allocations		\$819,003	(\$819,003)		
Disposal of unsupported capital assets	\$0	(\$18,774)	(\$59,319)		\$78,092
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$496,668)	\$496,668	
Net transfers from operating reserves			\$688,480	(\$688,480)	
Net transfers to capital reserves			(\$924,767)		\$924,767
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$8,657,382	\$3,680,778	\$293,235	\$3,144,035	\$1,539,334

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$361,771	\$14,220,132
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$361,771	\$14,220,132
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$174,300	
Interest earned on provincial government capital allocations	\$10,853	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$518,474
Expended capital allocations - current year	(\$174,300)	\$174,300
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$819,003
Balance at August 31, 2007	\$372,824	\$14,093,903

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

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**1. AUTHORITY AND PURPOSE**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expensed at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.



**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

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e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Prairie Land Regional Division #25 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$179,565.16 for the Year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

f) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Financial Instruments

These consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2007, the recorded obligation is \$5,600 (2006, \$14,000). The total expenses recorded in the financial statements is \$5,600 (2006, \$8,400).

k) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.



**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

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**3. TEMPORARY INVESTMENTS**

Included in cash and temporary investments are the following bond investments held with RBC Dominion Securities;

Description	2007 Market Value	2007 Cost	2006 Market Value	2006 Cost
CPN Prov of Ontario due 06/20/07			\$917,238	\$925,473
CPN Prov of Ontario due 12/20/07	\$950,994	\$962,155	\$912,123	\$926,075
CPN Prov of Ontario due 03/01/08	\$950,129	\$969,618	\$912,847	\$926,848
CPN Govt of Canada due 12/01/08	\$734,482	\$773,383	\$708,341	\$707,522
PRN Prov of Quebec due 06/01/09	\$736,730	\$794,746	\$709,915	\$707,958
RES Prov of Ontario due 11/19/2009	\$957,536	\$1,053,627		
<b>TOTAL</b>	<b>\$4,329,871</b>	<b>\$4,553,529</b>	<b>\$4,160,464</b>	<b>\$4,193,876</b>

**4. ACCOUNTS RECEIVABLE**

	2007	2006
Alberta Learning	\$0	\$3,416
Federal Government	37,606	70,798
Other Alberta School Jurisdictions	37,233	20,089
Other Province of Alberta	2,800	2,800
Alberta Finance	93,762	116,106
Other	113,920	141,704
<b>Total</b>	<b>\$285,321</b>	<b>\$354,913</b>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2007	2006
Alberta Education	\$8,465	\$9,163
Alberta Finance	93,762	116,106
Federal Government	0	0
First Nations	0	0
Other Trade Payables and Accrued Liabilities	675,451	598,588
<b>Total</b>	<b>\$777,678</b>	<b>\$723,857</b>

**6. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit in the amount of \$500,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

**7. DEFERRED REVENUE**

	2007	2006
Alberta Initiative for School Improvement	\$263,864	\$127,489
Infrastructure Maintenance Renewal	709,831	249,868
Classroom Initiative	267,872	255,778
Family Resource Worker		
Other	58,618	17,717
<b>Total</b>	<b>\$1,299,985</b>	<b>\$650,852</b>

**8. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the jurisdiction for following areas:

Scholarship Trusts	2007	2006
Berry Creek	\$264,824	263,201
Cochrane	5,889	5,835
McLaren-Cook	4,000	3,958
Deugo	2,174	2,287
Fielding	61,279	59,012
Neutral Hills	62,766	62,065
Gourlay	3,659	3,625
Housch	1,127	1,116
Gramlich	2,178	2,097
Kush	8,556	8,497
Olsen	4,936	4,754
Shepherd	5,740	6,010
Todd	5,792	5,761
Ward	7,694	7,266
Prairie Land interest on \$200,000 fund	18,761	17,494
Wimmer	2,832	2,727
JC Charyk	27,671	30,839
Special Areas #2 Bursary	141,988	138,852
Faupel	47,583	48,230
Atco Power Sheerness		50
<b>Total</b>	<b>\$679,449</b>	<b>\$673,676</b>

**9. LONG TERM DEBT**

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.5% and 10.875%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$518,474	\$178,544	\$697,018
2008-2009	359,204	133,007	492,211
2009-2010	315,810	100,345	416,155
2010-2011	207,143	71,131	278,274
2011-2012	195,543	52,902	248,445
2012 to maturity	403,535	54,901	458,436
<b>Total</b>	<b>\$1,999,709</b>	<b>\$590,830</b>	<b>\$2,590,539</b>

b) Capital Leases – Unsupported

Currently, there is no capital leases held by the jurisdiction.

**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

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**10. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure had not yet been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

**11. OTHER LONG TERM LIABILITIES**

In the prior year the Division approved the participation of certain employees in the Supplemental Integrated Pension Plan (SiPP) non-registered retirement plan introduced to provide for the portion of accrued pension based on the SiPP formula that is in excess of the Income Tax Act maximums. This program is not a registered pension plan and is not subject to pension regulation. The other long term liabilities are comprised of \$14,000 (2006, \$19,800) of accrued benefit liability.

**12. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

**13. CONTINGENCIES**

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

The Regional Division may be in possession of certain property that may have certain underground hydro-carbon contamination. The Division has not commissioned an environmental assessment at this time and, accordingly, the costs to reclaim this property have not been determined and a liability has not been recorded.

The Prairie Land Regional Division #25 has agreements with the employees to allow the individuals to bank and vest sick hours. These vested sick hours are capped by the division based on the job description areas. These banks are accumulated up to a predetermined maximum and are eliminated upon termination, without payout. The potential liability for these banked sick hours is not recorded as a liability or a charge to equity in these financial statements. The following table illustrates the total hours banked by each job description:

**PRAIRIE LAND REGIONAL DIVISION #25**  
**Notes to the Financial Statements**  
**Year Ended August 31, 2007**

Description	Number of Employees	Total hours Banked
Teachers	109	60,933.67
Support Staff	105	37,199.22
Bus Drivers	41	5,916.90

**14. ECONOMIC DEPENDANCE ON RELATED THIRD PARTY**

The Prairie Land Regional Division #25's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**15. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 13, 2006 and updated in November 2006. It is presented for information purposes only and has not been audited.

**16. REMUNERATION AND MONETARY INCENTIVES**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Neill, John- Chair	0.0	\$13,338	\$4,018	\$0			\$8,850
Danielsen Linda	0.0	\$8,774	\$3,937	\$0			\$3,442
Heilman, Andrea	0.0	\$9,910	\$3,933	\$0			\$4,099
Homer, Elaine	0.0	\$15,262	\$4,116	\$0			\$6,439
Nelson, Gloria	0.0	\$12,078	\$3,976	\$0			\$6,423
Roy, Duane	0.0	\$10,980	\$3,953	\$0			\$4,110
Taylor, Sheila	0.0	\$10,716	\$445	\$0			\$3,987
Vogel, Sam	0.0	\$15,236	\$302	\$0			\$8,029
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
<b>Subtotal</b>	<b>0.0</b>	<b>\$96,294</b>	<b>\$24,680</b>	<b>\$0</b>			<b>\$45,379</b>
Superintendent (1)	0.0	\$135,688	\$14,666	\$0	\$0	\$0	\$11,273
Superintendent (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer (1)	0.0	\$108,255	\$26,246	\$0	\$0	\$0	\$6,892
Secretary/Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Teachers	0.0	\$9,118,872	\$979,188	\$0	\$0	\$70,000	
Non-certificated - Other	0.0	\$4,088,131	\$777,181	\$0	\$0	\$5,000	
<b>TOTALS</b>		<b>\$13,547,240</b>	<b>\$1,821,961</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75,000</b>	

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**PRAIRIE LAND REGIONAL DIVISION NO. 25**

Legal Name of School Jurisdiction

**BAG 1400 HANNA, ALBERTA T0J 1P0**

Mailing Address

**Phone - 403-854-4481 Fax - 403-854-2803**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Sharon Orum**

Name

**"ORIGINAL SIGNED"**

Signature

**27-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
9th Floor Commerce Place, 10165-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8896

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code

1115

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$18,485,580	\$13,094,485	\$1,802,938	\$2,486,318	\$911,849	\$100,000
(2) Alberta Infrastructure & Transportation	\$142,736	\$0	\$142,736			
(3) Alberta Finance	\$203,767		\$203,767			\$0
(4) Other - Government of Alberta	\$139,825	\$63,812	\$2,800	\$0	\$0	\$73,013
(5) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$38,137	\$26,965	\$0	\$11,172	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$498,517	\$315,000	\$0	\$0	\$0	\$183,517
(9) Instruction resource fees	\$131,900	\$131,900				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$50,565	\$30,589	\$50	\$0	\$19,926	\$0
(12) Investment income	\$268,398	\$0	\$0	\$0	\$268,398	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0
(14) Rentals of facilities	\$108,386	\$2,461	\$106,925	\$0	\$0	\$0
(15) Net school generated funds	\$291,330	\$291,330			\$0	
(16) Gains on disposal of capital assets	\$65,620	\$0	\$57,077	\$8,543	\$0	\$0
(17) Amortization of capital allocations	\$819,003	\$51,828	\$767,175	\$0		\$0
(18) TOTAL REVENUES	\$21,244,574	\$14,008,370	\$3,173,468	\$2,506,033	\$1,200,173	\$356,530
<b>EXPENSES</b>						
(19) Certificated salaries	\$9,254,560	\$8,995,729			\$258,831	\$0
(20) Certificated benefits	\$1,063,854	\$1,042,919			\$30,935	\$0
(21) Non-certificated salaries and wages	\$4,292,680	\$1,487,302	\$862,533	\$1,228,091	\$458,436	\$256,318
(22) Non-certificated benefits	\$833,107	\$368,588	\$191,244	\$117,693	\$100,649	\$54,733
(23) SUB - TOTAL	\$15,444,201	\$11,884,538	\$1,053,777	\$1,345,984	\$848,851	\$311,051
(24) Services, contracts & supplies	\$3,618,458	\$1,525,408	\$982,863	\$701,736	\$329,307	\$79,344
(25) Cost recoveries between programs	\$0	\$30,352	\$0	(\$30,352)	\$0	\$0
(26) Net school generated funds	\$291,330	\$291,330				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$819,003	\$51,828	\$767,175	\$0	\$0	\$0
(28) Unsupported	\$494,007	\$111,045	\$91,456	\$269,491	\$22,015	\$0
(29) Total Amortization	\$1,313,010	\$162,873	\$858,631	\$269,491	\$22,015	\$0
Interest on capital debt						
(30) Supported	\$203,767	\$0	\$203,767	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$6,301	\$0	\$0	\$6,301	\$0	\$0
(34) TOTAL EXPENSES	\$20,877,067	\$13,894,501	\$3,098,838	\$2,293,160	\$1,200,173	\$390,395
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$367,507	\$113,869	\$74,630	\$212,873	\$0	(\$33,865)



**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$9,963,175
Additional Funding for Differential Cost Factors	\$9,036,923
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$236,993
Student Health Initiative (SHI)	\$49,850
Alberta Initiative for School Improvement (AIS)	\$71,624
SuperNet Services	\$88,414
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$20,554
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (Board/Gr)	\$33,057
<b>Total Alberta Education Revenues</b>	<b>\$18,485,590</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$732,575	\$759,041	\$482,580		\$0	\$415,080	\$2,389,256
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$208,522	\$474,282	\$4,547		\$0		\$687,351
ECS Program Unit (PUP)	\$0	\$128,509	\$50,447		\$0		\$178,956
Severe Disabilities (Gr 1-12)	\$0	\$489,410	\$108,831		\$0		\$598,241
English as a Second Language (ESL)	\$160,171	\$12,959	\$812		\$0		\$173,942
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Support for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$132,521	\$0	\$49,829	\$0	\$0		\$182,350
Student Health Initiative	\$0	\$12,689	\$0		\$0		\$12,689
SuperNet Service			\$71,304		\$0		\$71,304
Class Size Initiative	\$308,009	\$0	\$32,985	\$0	\$0		\$340,994
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$8,650,850	\$0	\$703,539	\$20,554	\$30,352	\$38,123	\$9,444,418
<b>TOTAL EXPENSES</b>	<b>\$10,028,848</b>	<b>\$1,655,890</b>	<b>\$1,504,954</b>	<b>\$20,554</b>	<b>\$30,352</b>	<b>\$454,203</b>	<b>\$13,884,501</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	2.8	19.9
ECS Program Unit (PUP)	0.9	5.1
Severe Disabilities (Gr 1-12)	0.0	18.4



**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$20,877,067
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$1,252,624
<b>Considerations for Charter Schools and Small School Boards</b>	
If Charter School, enter \$58,356	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$1,252,624
Less: 2006/2007 Board and System Administration expenses	-\$1,200,173
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$52,451

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$286,867
<b>Sources of School Generated Funds:</b>	
Fundraising activities	\$308,572
Student fees (Non-Instructional) (Note 1)	\$54,620
Donations and grants to schools	\$48,960
Other (describe):	\$60,873
<b>Net Additions to SGF</b>	\$473,025
<b>Net SGF Available</b>	\$582,861
<b>Uses of Net School Generated Funds:</b>	
Extra-curricular activities	\$140,926
School site beautification	\$0
Field Trips	\$26,838
Equipment	\$15,402
Family literacy and other community resources	\$14,615
Other (describe):	\$93,549
<b>Total Uses of Net SGF (Note 2)</b>	\$291,330
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$291,331
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenue &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>	



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**PRAIRIE ROSE SCHOOL DIVISION NO. 8**

Legal Name of School Jurisdiction

**BOX 204, DUNMORE, AB T0J 1A0**

Mailing Address

**(403)527-5516 (403)528-2264**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of PRAIRIE ROSE SCHOOL DIVISION NO. 8  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**MARIAN PEERS**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**DOUGLAS NICHOLLS**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**PATRICIA COCKS**

Name

**"ORIGINAL SIGNED"**

Signature

**11-Dec-07**

Board-approved Release Date

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## Auditors' Report

To the Board of Trustees  
Prairie Rose School Division No. 8

We have audited the statement of financial position of the Prairie Rose School Division No. 8 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Prairie Rose School Division No. 8 as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Meyer Norris Penny LLP*

Medicine Hat, Alberta  
November 21, 2007

Chartered Accountants



## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$5,045,077	\$4,064,233
Accounts receivable (net after allowances)	\$674,354	\$733,613
Prepaid expenses	\$286,338	\$321,220
Other current assets	\$3,350	\$23,350
Total current assets	\$6,009,118	\$5,142,416
School generated assets	\$641,981	\$535,204
Trust assets	\$364,411	\$360,983
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$770,078	\$779,890
Buildings	\$38,123,189	
Less: accumulated amortization	(\$20,996,566)	\$17,126,593
Equipment	\$1,899,650	\$18,241,669
Less: accumulated amortization	(\$1,000,160)	\$899,490
Vehicles	\$583,162	\$987,920
Less: accumulated amortization	(\$202,905)	\$380,257
Total capital assets	\$19,176,419	\$20,381,579
<b>TOTAL ASSETS</b>	<b>\$26,191,929</b>	<b>\$26,420,182</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,080,621	\$1,025,402
Deferred revenue	\$1,400,945	\$783,788
Deferred capital allocations	\$27,926	\$108,234
Current portion of all long term debt	\$207,490	\$299,265
Total current liabilities	\$2,716,983	\$2,216,689
School generated liabilities	\$641,981	\$535,204
Trust liabilities	\$364,411	\$360,983
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$1,782,209	\$2,056,474
Less: Current portion of supported debt	(\$182,490)	(\$274,265)
Unsupported: Debentures and Capital Loans	\$50,000	\$75,000
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$25,000)	(\$25,000)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$11,795,575	\$12,443,775
Total long term liabilities	\$14,426,685	\$15,172,171
<b>TOTAL LIABILITIES</b>	<b>\$17,143,668</b>	<b>\$17,388,860</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$667,952	\$531,161
Operating Reserves	\$2,712,721	\$2,577,563
Accumulated Operating Surplus (Deficit)	\$3,380,673	\$3,108,724
Investment in capital assets	\$5,546,648	\$5,806,344
Capital Reserves	\$118,940	\$116,254
Total Capital Funds	\$5,667,588	\$5,922,508
Total net assets	\$9,048,261	\$9,031,322
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$26,191,929</b>	<b>\$26,420,182</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$38,953,252	\$37,500,117	\$36,800,190
Federal Government and/or First Nations	\$204,807	\$194,933	\$189,821
Other Alberta school authorities	\$6,475	\$80,976	\$0
Out of province authorities	\$140,246	\$60,000	\$47,151
Alberta Municipalities (excluding supplementary requisitions)	\$172,540	\$169,970	\$189,101
Instruction resource fees	\$196,480	\$203,540	\$201,424
Transportation fees	\$23,232	\$17,800	\$18,320
Other sales and services	\$113,061	\$92,800	\$195,807
Investment income	\$263,367	\$120,000	\$180,196
Gifts and donations	\$371,032	\$194,310	\$243,257
Rentals of facilities	\$124,942	\$120,000	\$120,046
Net school generated funds	\$454,545	\$571,573	\$792,472
Gains on disposal of capital assets	\$8,567	\$0	\$54
Amortization of capital allocations	\$970,175	\$900,000	\$947,475
<b>Total Revenues</b>	<b>\$42,002,721</b>	<b>\$40,226,019</b>	<b>\$39,925,314</b>
<b>EXPENSES</b>			
Certificated salaries	\$18,448,960	\$17,796,250	\$17,370,516
Certificated benefits	\$2,121,630	\$2,048,720	\$1,997,609
Non-certificated salaries and wages	\$6,034,276	\$6,048,302	\$5,666,801
Non-certificated benefits	\$1,221,375	\$1,000,806	\$1,040,267
Services, contracts and supplies	\$12,009,706	\$11,372,368	\$10,893,713
Net school generated funds	\$454,545	\$571,573	\$792,472
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$970,175	\$900,000	\$947,475
Unsupported	\$542,713	\$443,041	\$393,295
<b>Total Amortization of capital assets</b>	<b>\$1,512,888</b>	<b>\$1,343,041</b>	<b>\$1,340,770</b>
Interest on capital debt			
Supported	\$174,084	\$235,000	\$214,054
Unsupported	\$5,230	\$10,500	\$8,188
<b>Total Interest on capital debt</b>	<b>\$179,314</b>	<b>\$245,500</b>	<b>\$222,242</b>
Other interest charges	\$3,088	\$3,000	\$2,896
Losses on disposal of capital assets		\$0	\$0
<b>Total Expenses</b>	<b>\$41,985,782</b>	<b>\$40,429,560</b>	<b>\$39,327,286</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$16,939	(\$203,541)	\$598,028
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$16,939</b>	<b>(\$203,541)</b>	<b>\$598,028</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$16,939	\$715,888
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$970,175)	(\$947,475)
Total amortization expense	\$1,512,888	\$1,340,770
Gains on disposal of capital assets	(\$8,567)	(\$54)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$59,259	\$619,528
Prepays and other current assets	\$54,882	(\$151,443)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$55,219	(\$67,908)
Deferred revenue	\$617,157	\$93,467
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,337,603	\$1,602,773
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$10,799)	\$0
Equipment	(\$242,917)	(\$225,398)
Vehicles	(\$83,924)	(\$223,790)
Net proceeds from disposal of capital assets	\$5,881	\$20,923
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$331,759)	(\$428,265)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$211,878
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$299,265)	(\$338,187)
Add back: supported portion	\$274,265	\$299,846
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	(\$25,000)	\$173,537
Net sources (uses) of cash during year	\$980,844	\$1,348,045
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$4,064,233	\$2,716,188
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$5,045,077	\$4,064,233

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$9,149,182	\$5,806,344	\$649,021	\$2,577,563	\$116,254
Prior period adjustments (describe)					
2004-05 Prepaid Benefits	(\$117,860)	\$0	(\$117,860)	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$9,031,322	\$5,806,344	\$531,161	\$2,577,563	\$116,254
Excess(def) of revenue over expenses	\$16,939		\$16,939		
Board funded capital transactions		\$260,017	(\$260,017)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,512,888)	\$1,512,888		
Amortization of capital allocations		\$970,175	(\$970,175)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	(\$2,686)		\$2,686
Debt principal payments (unsupported)		\$25,000	(\$25,000)		
Net transfers to operating reserves			(\$2,611,343)	\$2,611,343	
Net transfers from operating reserves			\$2,476,185	(\$2,476,185)	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$9,048,261	\$5,548,648	\$667,952	\$2,712,721	\$118,940

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2007**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$108,234	\$12,443,775
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$108,234	\$12,443,775
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$274,265
Expended capital allocations - current year	(\$80,308)	\$80,308
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$32,598
Capital allocations amortized to revenue		\$970,175
Balance at August 31, 2007	\$27,926	\$11,795,575

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

## PRAIRIE ROSE SCHOOL DIVISION NO. 8

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

#### 1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

##### a. REVENUE RECOGNITION

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital assets acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

##### b. CAPITAL ASSETS

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. No amortization is taken in the year of acquisition and a full year of amortization is taken in the year of disposal. The rates are as follows:

Buildings	2.5% to 4%
Equipment	10% to 20%
Vehicles	10% to 20%
Site Improvements	2.5%

Only capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

Included in the balance of buildings on the statement of financial position is site improvements of \$22,115 with accumulated amortization of nil (2006: cost and accumulated amortization of \$nil).

## PRAIRIE ROSE SCHOOL DIVISION NO. 8

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

---

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

##### c. SCHOOL GENERATED FUNDS

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

##### d. VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

##### e. PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current services of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Prairie Rose School Division No. 8 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to annual contributions of \$191,919 for the year ended August 31, 2007 (2006: \$140,913). At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

##### f. PREPAID EXPENSES

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

##### g. CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

##### h. FINANCIAL INSTRUMENTS

These consist of cash, accounts receivable, temporary and long-term investments, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

##### i. OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

# PRAIRIE ROSE SCHOOL DIVISION NO. 8

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### j. EMPLOYEE FUTURE BENEFITS

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

#### k. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets. Amortization of capital allocations is based on the related estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

### 3. ACCOUNTS RECEIVABLE

	2007	2006
Alberta Education	33,466	\$ 60,049
Alberta Infrastructure and Transportation	142,708	-
Alberta Finance	-	148,069
Federal Government	227,915	222,083
Alberta Municipalities	66,905	122,298
Other Alberta school jurisdictions	77,621	6,908
Other	125,739	174,206
Total	<u>\$ 674,354</u>	<u>\$ 733,613</u>

### 4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$733,613 (2006 - \$750,000) that bears interest at the bank prime rate less ¼%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007 (nil - 2006). Although the jurisdiction is authorized for a line of credit in the amount of \$733,613 they are limited to their accounts receivable balance of \$654,097, by section 183(1) of the School Act.

### 5. ACCOUNTS PAYABLE AND LIABILITIES

	2007	2006
Alberta Education	\$ 29,033	\$ 173,561
Alberta Finance	130,585	150,802
Alberta Municipalities	9,525	8,802
Other Trade Payables and Accrued Liabilities	910,949	692,237
Total	<u>\$ 1,080,092</u>	<u>\$ 1,025,402</u>

# PRAIRIE ROSE SCHOOL DIVISION NO. 8

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### 6. DEFERRED REVENUE

	2007	2006
Infrastructure Maintenance Program	\$ 1,232,576	\$ 571,068
Other	168,369	212,720
Total	<u>\$ 1,400,945</u>	<u>\$ 783,788</u>

### 7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2007	2006
Scholarship trusts	\$ 364,411	\$ 360,983

### 8. LONG-TERM DEBT

#### a. DEBENTURE DEBT – SUPPORTED

The debenture debt bears interest at rates varying between 8% and 12% (8.00% to 12.05% in 2006). The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$ 182,490	\$ 166,656	\$ 349,146
2008-2009	182,490	149,271	331,761
2009-2010	182,490	131,885	314,375
2010-2011	162,551	114,499	277,050
2011-2012	162,551	99,148	261,699
2012 to maturity	909,637	282,604	1,192,241
Total	<u>\$ 1,782,209</u>	<u>\$ 944,063</u>	<u>\$ 2,726,272</u>

#### b. DEBENTURE DEBT - UNSUPPORTED

The debenture debt bears interest at rates varying between 7.70% and 12.05% (7.625% to 12.050% in 2006). Debenture payments due over the next two years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$ 25,000	\$ 4,094	\$ 29,094
2008-2009	25,000	2,047	27,047
Total	<u>\$ 50,000</u>	<u>\$ 6,141</u>	<u>\$ 56,141</u>

#### c. CAPITAL LEASES – UNSUPPORTED

There are currently no capital leases held by the jurisdiction.

## **PRAIRIE ROSE SCHOOL DIVISION NO. 8**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007**

---

#### **9. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the jurisdiction, but the related expenditure has not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

#### **10. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debentured principal repayments.

#### **11. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

#### **12. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

#### **13. ECONOMIC DEPENDENCE**

The Prairie Rose School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

#### **14. CONTINGENCIES**

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

#### **15. CORRECTION OF AN ERROR**

During the year, the Division determined that prepaid expenses in the prior year were overstated by \$117,860. For the prior year, the impact of this correction resulted in a decrease in prepaid expenses and net assets and an increase in expenses of \$117,860.



# PRAIRIE ROSE SCHOOL DIVISION NO. 8

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### 16. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2006-2007	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$ 175,224	\$ 20,257	\$ 38,490,852	\$ -
Infrastructure & Transportation	-	-	-	-
Finance	130,585	-	174,084	-
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta Departments:	-	-	-	-
Children's Services	-	-	-	-
Health and Wellness	-	-	288,316	-
<b>Other:</b>				
Health authorities – Palliser Health Region	-	-	-	20,674
<b>Post-secondary institutions:</b>				
Medicine Hat College	-	-	-	2,067
University of Alberta	-	-	-	694
University of Calgary	-	-	-	694
University of Lethbridge	-	-	-	600
	-	-	-	<b>4,056</b>
<b>Other Alberta school jurisdictions:</b>				
Christ the Redeemer Catholic Separate Regional Division No.3	-	-	8,000	-
Grasslands Regional Div. No.6	-	-	15,000	1,680
Medicine Hat Catholic Separate Regional Div. No.20	-	-	21,475	-
Calgary School Dist. No.19	-	-	-	57,679
Medicine Hat School Dist. No.76	-	-	15,000	21,285
			<b>59,475</b>	<b>80,644</b>
<b>Other Related Parties</b>			<b>172,540</b>	
<b>TOTAL 2006-2007</b>	<b>\$305,809</b>	<b>\$20,257</b>	<b>\$39,185,267</b>	<b>\$105,373</b>
<b>TOTAL 2005-2006</b>	<b>\$215,026</b>	<b>\$2,380,837</b>	<b>\$36,838,448</b>	<b>\$118,930</b>



# PRAIRIE ROSE SCHOOL DIVISION NO. 8

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### 17. REMUNERATION AND MONETARY INCENTIVES

The Charter School has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's/Other	Expenses
Chair - Marian Peers	1.0	\$17,861	\$87	-	-	-	\$8,131
Trustee - Kathy Cooper	1.0	\$20,815	\$964	-	-	-	\$10,465
Trustee - Graeme Dennis	1.0	\$12,041	\$514	-	-	-	\$1,493
Trustee - Arnold Frank	1.0	\$16,426	\$731	-	-	-	\$4,121
Trustee - Paulette Heller	1.0	\$15,572	\$657	-	-	-	\$5,471
Trustee - Ryan Herman	1.0	\$13,064	\$564	-	-	-	\$2,602
Trustee - Marjorie Moncrieff	1.0	\$18,688	\$843	-	-	-	\$12,447
Trustee - Georgine Westgard	1.0	\$14,265	\$624	-	-	-	\$4,672
<b>Subtotal</b>		<b>\$128,733</b>	<b>\$4,894</b>	-	-	-	<b>\$49,402</b>
Douglas Nicholls	1.0	\$125,000	\$15,616	-	-	-	\$12,435
Patricia Cocks	1.0	\$106,904	\$16,792	-	-	-	\$11,888
Certificated Teachers	234.16	\$18,323,960	\$2,109,014	-	-	-	-
Non-certificated - Other	230.00	\$5,798,639	\$1,199,689	-	-	-	-
<b>TOTALS</b>	<b>474.16</b>	<b>\$24,483,236</b>	<b>\$3,346,005</b>	-	-	-	<b>\$73,725</b>

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
 [School Act, Section 276]

**Prairie Rose School Division No. 8**

Legal Name of School Jurisdiction

**Box 204, Dunmore, AB T0J 1A0**

Mailing Address

**phone 403-527-5516 fax 403-528-2264**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Patricia Cocks**

Name

**"ORIGINAL SIGNED"**

Signature

**11-Dec-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
 8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L6  
 EMAIL: Cindy.Jarry@gov.ab.ca  
 PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE A**

School Jurisdiction Code

0195

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$38,490,852	\$27,168,138	\$4,371,405	\$5,242,309	\$1,709,000	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$174,084		\$174,084			\$0
(4) Other - Government of Alberta	\$288,318	\$270,000	\$4,800	\$0	\$0	\$13,518
(5) Federal Government and/or First Nations	\$204,807	\$202,850	\$1,957	\$0	\$0	\$0
(6) Other Alberta school authorities	\$6,475	\$0	\$0	\$0	\$0	\$6,475
(7) Out of province authorities	\$140,246	\$100,050	\$0	\$40,196	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$172,540	\$14,301	\$0	\$0	\$0	\$158,239
(9) Instruction resource fees	\$196,480	\$196,480				
(10) Transportation fees	\$23,232			\$23,232		
(11) Other sales and services	\$113,061	\$73,931	\$39,130		\$0	\$0
(12) Investment income	\$263,367	\$263,367		\$0	\$0	\$0
(13) Gifts and donations	\$371,032	\$151,957	\$1,355	\$0		\$217,720
(14) Rentals of facilities	\$124,942	\$0	\$6,000	\$0	\$0	\$118,942
(15) Net school generated funds	\$454,545	\$454,545			\$0	
(16) Gains on disposal of capital assets	\$8,567	\$0	\$3,958	\$0	\$4,609	\$0
(17) Amortization of capital allocations	\$970,175	\$198,435	\$771,740	\$0		\$0
(18) TOTAL REVENUES	\$42,002,720	\$29,094,055	\$5,374,428	\$5,305,737	\$1,713,609	\$514,892
<b>EXPENSES</b>						
(19) Certificated salaries	\$18,448,960	\$18,105,816			\$343,144	\$0
(20) Certificated benefits	\$2,121,630	\$2,082,169			\$39,462	\$0
(21) Non-certificated salaries and wages	\$6,034,276	\$3,738,905	\$1,414,879	\$79,045	\$644,347	\$157,100
(22) Non-certificated benefits	\$1,221,375	\$757,286	\$313,228	\$13,663	\$112,633	\$24,554
(23) SUB - TOTAL	\$27,826,242	\$24,684,185	\$1,728,107	\$92,709	\$1,139,586	\$181,654
(24) Services, contracts & supplies	\$12,009,705	\$3,842,280	\$2,220,433	\$5,103,908	\$570,525	\$272,558
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$454,545	\$454,545				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$970,175	\$198,435	\$771,740	\$0	\$0	\$0
(28) Unsupported	\$542,713	\$151,387	\$355,314	\$6,947	\$14,012	\$15,053
(29) Total Amortization	\$1,512,888	\$349,822	\$1,127,054	\$6,947	\$14,012	\$15,053
Interest on capital debt						
(30) Supported	\$174,084		\$174,084	\$0	\$0	\$0
(31) Unsupported	\$5,230	\$0	\$0	\$0	\$5,230	\$0
(32) Other interest charges	\$3,088	\$0	\$0	\$0	\$3,088	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$41,985,782	\$29,330,832	\$5,249,678	\$5,203,565	\$1,732,442	\$489,265
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$16,939	(\$236,777)	\$124,750	\$102,172	(\$18,833)	\$45,627

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$18,311,354
Additional Funding for Differential Cost Factors	\$17,954,387
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$849,273
Student Health Initiative (SHI)	\$142,329
Alberta Initiative for School Improvement (AISi)	\$436,500
SuperNet Services	\$138,988
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$38,242
Infrastructure Maintenance Renewal (IMR)	\$621,821
Other Funding from Alberta Education (see table)	(\$0)
Total Alberta Education Revenues	\$38,490,852

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$1,714,842	\$780,441	\$184,552		\$0	\$0	\$2,579,835
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$480,874	\$0	\$14,127		\$0		\$495,001
ECS Program Unit (PUF)	\$83,287	\$329,532	\$285,953		\$0		\$698,772
Severe Disabilities (Gr 1-12)	\$121,200	\$1,543,827	\$145,171		\$0		\$1,810,298
English as a Second Language (ESL)	\$80,800	\$20,200	\$120,857		\$0		\$201,857
French Language & Francisation	\$0	\$0	\$4,887		\$0		\$4,887
Enhanced ESL/Francisation & Supports for Immigrant Students	\$101,000	\$141,250	\$80,428		\$0		\$302,678
First Nations, Metis and Inuit Education	\$0		\$38,074		\$0		\$38,074
Alberta Initiative for School Improvement	\$214,258	\$17,276	\$148,222	\$1,787	\$0		\$382,541
Student Health Initiative	\$0	\$125,847	\$18,481		\$0		\$142,329
SuperNet Service			\$184,389		\$0		\$184,389
Class Size Initiative	\$849,273	\$0	\$0	\$0	\$0		\$849,273
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$18,562,872	\$1,491,882	\$2,355,230	\$288,681	\$0	\$0	\$21,643,160
<b>TOTAL EXPENSES</b>	<b>\$20,187,965</b>	<b>\$4,370,354</b>	<b>\$3,537,331</b>	<b>\$288,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,330,832</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	8.0	0.0
ECS Program Unit (PUF)	1.0	11.7
Severe Disabilities (Gr 1-12)	1.5	54.8

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$41,985,782
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 8%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,242,041
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment:	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,242,041
Less: 2006/2007 Board and System Administration expenses	-\$1,732,442
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	<b>\$509,599</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$535,204																		
<b>Sources of School Generated Funds:</b>																			
	<table border="1"> <thead> <tr> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td>\$470,101</td> <td>\$365,345</td> </tr> <tr> <td>Student fees (Non-instructional) (Note 1)</td> <td>\$197,935</td> <td>\$171,014</td> </tr> <tr> <td>Donations and grants to schools</td> <td>\$58,810</td> <td>\$12,514</td> </tr> <tr> <td>Other (describe):</td> <td>\$11,070</td> <td>\$12,449</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td><b>\$737,916</b></td> <td><b>\$561,322</b></td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$470,101	\$365,345	Student fees (Non-instructional) (Note 1)	\$197,935	\$171,014	Donations and grants to schools	\$58,810	\$12,514	Other (describe):	\$11,070	\$12,449	<b>Net Additions to SGF</b>	<b>\$737,916</b>	<b>\$561,322</b>
Gross SGF	Related Expenses	Net SGF																	
Fundraising activities	\$470,101	\$365,345																	
Student fees (Non-instructional) (Note 1)	\$197,935	\$171,014																	
Donations and grants to schools	\$58,810	\$12,514																	
Other (describe):	\$11,070	\$12,449																	
<b>Net Additions to SGF</b>	<b>\$737,916</b>	<b>\$561,322</b>																	
<b>Net SGF Available</b>	<b>\$1,096,526</b>																		
<b>Uses of Net School Generated Funds:</b>																			
	<table border="1"> <tbody> <tr> <td>Extra-curricular activities</td> <td>\$308,812</td> </tr> <tr> <td>School site beautification</td> <td>\$762</td> </tr> <tr> <td>Field Trips</td> <td>\$89,102</td> </tr> <tr> <td>Equipment</td> <td>\$36,465</td> </tr> <tr> <td>Family literacy and other community resources</td> <td>\$19,404</td> </tr> <tr> <td>Other (describe):</td> <td>\$0</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td><b>\$454,545</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$308,812	School site beautification	\$762	Field Trips	\$89,102	Equipment	\$36,465	Family literacy and other community resources	\$19,404	Other (describe):	\$0	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$454,545</b>				
Extra-curricular activities	\$308,812																		
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Equipment	\$36,465																		
Family literacy and other community resources	\$19,404																		
Other (describe):	\$0																		
<b>Total Uses of Net SGF (Note 2)</b>	<b>\$454,545</b>																		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	<b>\$641,981</b>																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Red Deer Catholic Regional Division No. 39**

Legal Name of School Jurisdiction

**5210 - 51 Street, Red Deer, AB. T4N 6N8**

Mailing Address

**403-343-1055 403-347-6410**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Red Deer Catholic Regional Division No. 39

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Mrs. Christine Moore**  
Name

**"ORIGINAL SIGNED"**  
Signature

**SUPERINTENDENT**

**Mrs. Paulette Hanna**  
Name

**"ORIGINAL SIGNED"**  
Signature

**SECRETARY TREASURER OR TREASURER**

**Mr. Roderic M. Steeves**  
Name

**"ORIGINAL SIGNED"**  
Signature

**27-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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To the Board of Trustees of Red Deer Catholic Regional Division #39:

We have audited the statement of financial position of Red Deer Catholic Regional Division #39 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School Jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Jurisdiction as at August 31, 2007 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Red Deer, Alberta

November 21, 2007

*Meagan Norris Penny LLP*

Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$10,721,171	\$4,852,351
Accounts receivable (net after allowances)	\$2,111,591	\$3,031,198
Prepaid expenses	\$777,366	\$639,864
Other current assets	\$25,304	\$27,425
<b>Total current assets</b>	<b>\$13,635,432</b>	<b>\$8,550,838</b>
School generated assets	\$844,724	\$801,540
Trust assets	\$302,700	\$274,891
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$361,489	\$361,489
Buildings	\$85,170,486	
Less: accumulated amortization	(\$26,682,243)	\$58,488,253
Equipment	\$7,217,776	
Less: accumulated amortization	(\$5,279,294)	\$1,938,482
Vehicles	\$1,657,131	
Less: accumulated amortization	(\$986,685)	\$670,446
<b>Total capital assets</b>	<b>\$61,458,670</b>	<b>\$58,379,392</b>
<b>TOTAL ASSETS</b>	<b>\$76,241,526</b>	<b>\$68,006,661</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$3,216,854	\$2,931,879
Deferred revenue	\$1,167,226	\$375,082
Deferred capital allocations	\$2,626,662	\$301,457
Current portion of all long term debt	\$728,378	\$798,928
<b>Total current liabilities</b>	<b>\$7,739,120</b>	<b>\$4,407,346</b>
School generated liabilities	\$844,724	\$801,540
Trust liabilities	\$302,700	\$274,891
Employee future benefits liability	\$641,494	\$611,593
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$2,664,807	\$3,394,897
Less: Current portion of supported debt	(\$654,091)	(\$730,091)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$240,968	\$309,805
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$74,287)	(\$68,837)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$55,191,453	\$51,800,200
<b>Total long term liabilities</b>	<b>\$59,157,768</b>	<b>\$56,393,998</b>
<b>TOTAL LIABILITIES</b>	<b>\$66,896,888</b>	<b>\$60,801,344</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$0	\$0
Operating Reserves	\$3,430,549	\$2,482,782
Accumulated Operating Surplus (Deficit)	\$3,430,549	\$2,482,782
Investment in capital assets	\$3,361,437	\$2,874,484
Capital Reserves	\$2,552,652	\$1,848,051
<b>Total Capital Funds</b>	<b>\$5,914,089</b>	<b>\$4,722,535</b>
<b>Total net assets</b>	<b>\$9,344,638</b>	<b>\$7,205,317</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$76,241,526</b>	<b>\$68,006,661</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$51,653,290	\$49,807,501	\$46,774,401
Federal Government and/or First Nations	\$92,092	\$0	\$93,545
Other Alberta school authorities	\$84,311	\$80,000	\$116,082
Out of province authorities	\$142,191	\$0	\$52,875
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$568,867	\$476,968	\$552,308
Transportation fees	\$50,336	\$40,000	\$43,031
Other sales and services	\$505,222	\$186,000	\$449,139
Investment income	\$342,845	\$60,000	\$206,241
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$69,473	\$51,000	\$81,422
Net school generated funds	\$1,312,550	\$0	\$1,234,413
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$2,449,164	\$2,405,115	\$2,352,084
<b>Total Revenues</b>	<b>\$57,270,341</b>	<b>\$53,106,584</b>	<b>\$51,935,541</b>
<b>EXPENSES</b>			
Certificated salaries	\$26,876,594	\$26,524,993	\$24,776,004
Certificated benefits	\$3,745,709	\$3,324,100	\$3,426,256
Non-certificated salaries and wages	\$7,602,486	\$7,879,174	\$6,771,883
Non-certificated benefits	\$1,779,583	\$1,655,018	\$1,582,312
Services, contracts and supplies	\$10,783,987	\$10,702,094	\$10,451,890
Net school generated funds	\$1,312,550	\$0	\$1,234,413
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$2,449,164	\$2,405,115	\$2,352,084
Unsupported	\$240,749	\$233,893	\$303,318
Total Amortization of capital assets	\$2,689,913	\$2,639,008	\$2,655,402
Interest on capital debt			
Supported	\$313,888	\$350,137	\$395,386
Unsupported	\$21,710	\$21,301	\$26,928
Total Interest on capital debt	\$335,598	\$371,438	\$422,314
Other interest charges	\$4,600	\$0	\$7,010
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$55,131,020</b>	<b>\$53,095,825</b>	<b>\$51,327,484</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$2,139,321	\$10,759	\$608,057
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$2,139,321</b>	<b>\$10,759</b>	<b>\$608,057</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$2,139,321	\$608,057
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,449,164)	(\$2,352,084)
Total amortization expense	\$2,689,913	\$2,655,402
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$919,607	\$894,917
Prepays and other current assets	(\$135,381)	\$210,896
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$284,975	\$201,008
Deferred revenue	\$792,144	(\$6,547)
Employee future benefit expense (recovery)	\$29,901	\$293,067
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$4,271,316	\$2,504,716
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,444,604)	(\$1,531,014)
Equipment	(\$16,864)	(\$672,360)
Vehicles	(\$307,723)	(\$100,635)
Net proceeds from disposal of capital assets	\$0	\$25,967
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$5,769,191)	(\$2,278,042)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$7,435,531	\$2,159,617
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$798,927)	(\$826,182)
Add back: supported portion	\$730,091	\$762,395
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$7,366,695	\$2,095,830
Net sources (uses) of cash during year	\$5,868,820	\$2,322,504
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$4,852,351	\$2,529,847
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$10,721,171	\$4,852,351

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$7,205,317	\$2,874,484	\$0	\$2,482,782	\$1,848,051
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$7,205,317	\$2,874,484	\$0	\$2,482,782	\$1,848,051
Excess(def) of revenue over expenses	\$2,139,321		\$2,139,321		
Board funded capital transactions		\$658,865	\$0	\$0	(\$658,865)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,689,913)	\$2,689,913		
Amortization of capital allocations		\$2,449,164	(\$2,449,164)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$68,837	(\$68,837)		
Net transfers to operating reserves			(\$947,767)	\$947,767	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$1,363,466)		\$1,363,466
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$9,344,638	\$3,361,437	\$0	\$3,430,549	\$2,552,652

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$301,457	\$51,800,200
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$301,457	\$51,800,200
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$7,298,501	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$137,030	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$730,091
Expended capital allocations - current year	(\$5,110,326)	\$5,110,326
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$2,449,184
Balance at August 31, 2007	\$2,626,662	\$55,191,453

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**Red Deer Catholic Regional Division #39**  
**Notes to the Financial Statements**  
*For the year ended August 31, 2007*

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**1. Incorporation and operations**

The Red Deer Catholic Regional Division #39 (the "School Jurisdiction") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School Jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administrative expenses.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). These financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the significant accounting policies summarized as follows:

***Cash and temporary investments***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Inventory (shown as other current assets)***

Inventory is valued at the lower of cost (first-in, first-out method) and net realizable value.

***Prepaid expenses***

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

***Capital Assets***

Capital assets are recorded at cost. Amortization is provided using rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	2.5 - 4 %
Automotive	straight-line	10 - 50 %
Equipment	straight-line	10 - 20 %

Only assets with costs in excess of \$5,000 are capitalized and amortization is not taken in the year of acquisition. Any capital allocations received for asset additions are amortized over the same period as the related asset.

***Long-lived assets***

Long-lived assets consists of property, plant and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Jurisdiction performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year. Prices for similar items are used to measure fair value of long-lived assets.



## **Red Deer Catholic Regional Division #39**

### **Notes to the Financial Statements**

*For the year ended August 31, 2007*

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#### **2. Significant accounting policies** *(Continued from previous page)*

##### ***Vacation pay***

Vacation pay is accrued in the period in which the employee earns the benefit.

##### ***Employee future benefits***

The School Jurisdiction's employee future benefit programs consist of a defined benefit plan, a defined contribution multi-employer benefit plan and it also provides other post retirement benefits, including health, dental and life insurance, to its qualifying employees. The School Jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs according to the nature of the plan. The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teacher Pension Plan Act, the School Jurisdiction does not make pension contributions for certificated staff.

##### ***Employee future benefits liability***

For the other post retirement benefits, the actuarially determined cost of these benefits is accrued over the estimated service lives of employees.

##### ***Defined contribution pension plan***

The School Jurisdiction participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities.

##### ***Defined benefit pension plan***

The actuarial determination of the accrued benefit obligation for pensions used the project benefit method prorated on service (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors). Actuarial gains (losses) arise from the difference resulting from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated net actuarial gain (loss) over 10 percent of the greater of the benefit obligation and the fair value of the plan assets is amortized over the remaining service period of active employees. The average remaining service period of active employees covered by the pension plan is 9 years. Past service costs arising from plan initiation are deferred and amortized on a straight line basis over the average remaining service period of employees active at the date of initiation.

##### ***Operating and capital reserves***

Reserves are established at the discretion of the Board of Trustees of the School Jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.



## **Red Deer Catholic Regional Division #39**

### **Notes to the Financial Statements**

*For the year ended August 31, 2007*

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#### **2. Significant accounting policies** *(Continued from previous page)*

##### ***Revenue recognition***

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they are related.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Net school generated funds are recognized as revenue in the same period as the related expenses.

Capital contributions from the province or other agencies are recorded as deferred capital allocations. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities in the period in which they are received or receivable.

##### ***Net school generated funds***

These are funds raised in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (i.e. yearbook sales, graduation fees, field trip fees, etc.).

##### ***Contributed services***

Volunteers contribute a considerable number of hours per year to various schools, which are within the School Jurisdiction, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

##### ***Financial instruments***

These consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, and long term debt. It is management's opinion that the School Jurisdiction is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values. The School Jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

## Red Deer Catholic Regional Division #39

### Notes to the Financial Statements

For the year ended August 31, 2007

#### 2. Significant accounting policies (Continued from previous page)

##### *Measurement uncertainty (use of estimates)*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

##### *Recent accounting pronouncements*

In January 2005, the Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2006. Section 3855 Financial Instruments – Recognition and Measurement establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Section 3861 Financial Instruments – Disclosure and Presentation discusses the presentation and disclosure of these items. The application of hedge accounting is covered in Section 3865 Hedges. Section 1530 Comprehensive Income establishes standards for reporting and displaying certain gains and losses, such as unrealized gains and losses related to hedges or other derivative instruments, outside of net income, in a statement of comprehensive income. Although the requirements of Section 1530 Comprehensive Income are not applicable for not-for-profit organizations, amendments to Section 4400 Not-For-Profit Organizations will require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in net assets. There have also been numerous consequential amendments made to other Sections

In December 2006, the Canadian Institute of Chartered Accountants issued Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation to replace Section 3861 Financial Instruments – Disclosure and Presentation. These new Sections are effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2007, but may be adopted in place of Section 3861, before that date.

#### 3. Accounts receivable

	2007	2006
Province of Alberta	245,439	1,248,601
Federal Government	200,917	185,303
Alberta Municipalities	1,006,671	976,583
Other	658,564	620,711
	<hr/> 2,111,591	<hr/> 3,031,198

**Red Deer Catholic Regional Division #39****Notes to the Financial Statements***For the year ended August 31, 2007***4. Trust assets**

These balances represent cash that is held in trust by the School Jurisdiction.

	2007	2006
Deferred Salary Leave Plan	63,303	29,569
Scholarship Trusts	84,702	85,033
Urban School Insurance Trust	154,695	160,289
	<b>302,700</b>	<b>274,891</b>

**5. Capital assets**

Capital assets includes assets under capital lease with a cost of \$628,648 (2006 - \$628,648), and accumulated amortization of \$176,021 (2006 - \$150,876).

**6. Bank indebtedness**

The School Jurisdiction has negotiated a line of credit in the amount of \$2,000,000 (2006 - \$2,000,000) that bears interest at the bank prime rate less 0.6%. The line of credit, which is secured by a borrowing resolution incorporating a first charge over all monies becoming due or payable to the borrower, including municipal levies, covering all revenue of the School Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007 (2006 - \$0).

**7. Accounts payable and accrued liabilities**

	2007	2006
Province of Alberta	1,046,551	932,152
Alberta Municipalities	3,832	9,942
Other trade payables and accrued liabilities	2,166,471	1,989,785
	<b>3,216,854</b>	<b>2,931,879</b>

**8. Deferred revenue**

	2007	2006
2007-2008 Registrations	105,392	70,170
Central Alberta Tech Prep	247,528	195,651
Infrastructure Maintenance Program (from AI&T)	805,688	71,421
Other	8,618	37,840
	<b>1,167,226</b>	<b>375,082</b>

**Red Deer Catholic Regional Division #39****Notes to the Financial Statements***For the year ended August 31, 2007***9. Deferred capital allocations**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the School Jurisdiction, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at this time that the balance is transferred to the unamortized capital allocations account.

**10. Long term debt**

	2007	2006
The School Jurisdiction has issued debentures to the Alberta Municipal Finance Corporation bearing interest at 7.63% to 12% (2006 - 7.63% to 12%), due September 1, 2007 to March 1, 2019 (2006 - November 1, 2006 to March 1, 2019) to finance the construction of school buildings having a carrying value of \$8,811,316 (2006 - \$9,456,442)	2,664,807	3,394,897
Less: current portion	654,091	730,091
	<b>2,010,716</b>	<b>2,664,806</b>

Principal repayments on long term debt in each of the next five years are estimated as follows:

2008	654,091
2009	586,316
2010	445,170
2011	356,515
2012	228,797

**11. Employee future benefits liability**

	2007	2006
Educational subsidy surplus	87,170	31,432
Personal professional development fund	104,221	89,659
Severance liability	137,700	200,700
Vacation accrual	28,650	75,812
Retirement allowance	80,057	29,492
Defined benefit pension plan liability	203,696	184,498
	<b>641,494</b>	<b>611,593</b>

The total expense recorded in the financial statements is \$29,901 (2006 - \$293,067).

**Red Deer Catholic Regional Division #39**  
**Notes to the Financial Statements**  
*For the year ended August 31, 2007*

**11. Employee future benefits liability** *(Continued from previous page)*

***Defined contribution plan***

The expense for the defined contribution pension plan is equivalent to the annual contributions of \$141,883 (2006 - \$108,978) for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (December 31, 2005 - deficiency of \$863,558,000).

***Defined benefit pension plan***

The School Jurisdiction's unfunded defined benefit pension plan provides non-indexed pension benefits at retirement to enhance the LAPP formula to a full 2% final average earnings formula.

The expense and obligations are determined in accordance with Canadian GAAP and actuarial principles. Obligations are based on the projected benefits method of valuation that includes employee service to date and present pay levels, as well as a projection of salaries and service to retirement.

Total cash payments for pension for 2007, consisting of cash contributed by the School Jurisdiction to its funded pension plans, cash payments directly to the employees or their beneficiaries for its unfunded other benefit plans and cash contributed to its defined benefit plan were \$0 (2006 - \$0).

Benefits paid by pension plans were \$12,300 (2006 - \$0).

***Accrued benefit plan obligation***

	<b>2007</b>	<b>2006</b>
Accrued benefit plan obligation, beginning of year	176,100	186,900
Accrual for services	4,600	4,400
Interest cost	9,600	9,600
Benefit payments	(12,300)	-
Actuarial loss (gain) on accrued benefit plan obligation	39,800	(24,800)
<b>Accrued benefit plan obligation, end of year</b>	<b>217,800</b>	<b>176,100</b>

The School Jurisdiction measures its accrued benefit obligations and fair value of plan assets for accounting purposes at August 31, 2007.

***Reconciliation of funded status of the benefit plans to the amounts recorded in the financial statements***

	<b>2007</b>	<b>2006</b>
Accrued benefit obligation	(217,800)	(176,000)
Balance of unamortized amounts	14,100	(8,400)
<b>Accrued benefit liability</b>	<b>(203,700)</b>	<b>(184,500)</b>

***Elements of defined benefit costs recognized in the year***

	<b>2007</b>	<b>2006</b>
Current service cost	4,600	4,400
Interest costs	9,600	9,600

# Red Deer Catholic Regional Division #39

## Notes to the Financial Statements

For the year ended August 31, 2007

### 11. Employee future benefits liability (Continued from previous page)

Defined benefit costs recognized	14,200	14,000
Significant assumption	2007	2006
Accrued benefit obligation discount	5.75%	5.50%

### 12. Capital lease obligation

	2006	2005
Capital lease bearing interest at the Scotia Leasing Five Year Base Rate, currently 6.39% (2006 - 6.39%) plus 1.25% payable in monthly installments of \$7,511 including interest until August 2010, secured by related equipment having a carrying value of \$452,627 (2006 - \$477,772)	240,968	309,805
Less: current portion	74,287	68,837
	166,681	240,968

Minimum lease payments related to the obligation under capital lease are as follows:

2008	90,137
2009	90,137
2010	90,137
	270,411
Less: imputed interest	(29,443)
	240,968
Less: current portion	(74,287)
	166,681

### 13. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations expended and decreased by fully-supported debenture principal repayments.

**Red Deer Catholic Regional Division #39****Notes to the Financial Statements***For the year ended August 31, 2007***14. Lease commitments**

The School Jurisdiction has entered into various lease agreements with estimated minimum annual payments as follows:

2008	420,335
2009	355,930
2010	524,295
2011	272,874
2012	123,655

**15. Economic dependence**

The School Jurisdiction's primary source of income is from the Alberta Government. The School Jurisdiction's ability to continue viable operations is dependent on this funding.

**16. Contingencies**

The School Jurisdiction has been named as respondent in a human rights complaint on behalf of a former non-teaching staff member. This complaint remains at an early stage, and as the complaint is subject to many uncertainties, it is not possible to predict the ultimate outcome of this complaint or to estimate the loss, if any, which may result. The School Jurisdiction's insurers have been advised of this complaint and are cooperating with the School Jurisdiction in the defence of this claim subject to policy deductibles, limits, and terms and conditions.

**17. Related party transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to the criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of the school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Red Deer Catholic Regional Division #39 had related party transactions for the year ended August 31, 2007 with the following entities, recorded at the exchange amount which is the amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>2006-2007</b>				
<b>Government of Alberta:</b>				
Education	245,439	1,046,551	51,139,434	0
Infrastructure & Transportation		0	0	0
Finance	0	0	0	0
Human Resources	0	0	0	0
Other Gov't Alberta departments	0	0	513,856	0
<b>Other:</b>				
Health authorities	0	0	0	11,203
Other Alberta school jurisdictions	139,383	152,174	84,311	616,745
Post secondary institutions	0		2,500	28,528
<b>TOTAL 2006-2007</b>	<b>\$384,822</b>	<b>\$1,198,725</b>	<b>\$51,740,101</b>	<b>\$656,476</b>
<b>TOTAL 2005-2006</b>	<b>\$1,360,408</b>	<b>\$4,659,754</b>	<b>\$46,890,483</b>	<b>\$1,282,788</b>



## Red Deer Catholic Regional Division #39

### Notes to the Financial Statements

For the year ended August 31, 2007

#### 18. Financial instruments

The School Jurisdiction as part of its operations carries a number of financial instruments. It is management's opinion that the School Jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

##### *Credit concentration*

Accounts receivable from the provincial government in connection with grant revenue represents 11% (2006 - 41%) and an amount due from the City of Red Deer represents 29% of total accounts receivable as at August 31, 2007. The School Jurisdiction believes that there is minimal risk associated with the collection of these amounts. The School Jurisdiction performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

##### *Fair value disclosure*

The carrying amount of cash and temporary investments, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the short-term maturities of these items.

The carrying value of the School Jurisdiction's capital lease obligations approximates its fair value, because interest charges under the terms of the lease are based upon current Scotia Lease lending rates.

The fair value of the School Jurisdiction's long-term financial instruments is estimated using discounted cash flow analysis based on current market rates for such instruments with similar terms and risks. Based on these assumptions, the fair values as at August 31, 2007 of these long-term financial instruments are as follows:

	Carrying Amount		Fair Value	
	2007	2006	2007	2006
Long-term debt	\$2,664,807	\$3,394,897	\$2,953,295	\$5,255,867

##### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the School Jurisdiction manages exposure through its normal operating and financing activities. The School Jurisdiction is exposed to interest rate risk primarily through its long term debt of \$2,664,807 (2006 - \$3,394,897) and its capital lease obligations of \$240,968 (2006 - \$309,805).

#### 19. Supplemental cash flow information

Interest and income taxes paid:

	2007	2006
Interest paid	340,198	429,324

#### 20. Budgeted amounts

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

#### 21. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.



**Red Deer Catholic Regional Division #39**  
**Notes to the Financial Statements**  
*For the year ended August 31, 2007*

**22. Remuneration and monetary incentives**

The Red Deer Catholic Regional Division #39 had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members</b>	<b>FTE:</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's/ Other</b>	<b>Expenses</b>
Bontje	1.00	12,432	5,025	0	0	0	530
Taylor	1.00	10,819	3,951	0	0	0	1,847
Halter	1.00	12,429	5,136	0	0	0	3,744
Heisler	1.00	13,269	5,171	0	0	0	3,460
Moore	1.00	13,269	5,171	0	0	0	3,156
Baumgarten	1.00	16,941	3,795	0	0	0	3,078
McNiff	1.00	9,821	3,302	0	0	0	2,810
<b>Subtotal</b>		<b>88,980</b>	<b>31,551</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,625</b>
Hanna	1.0	142,845	12,776	0	0	0	15,540
Steeves	0.83	84,906	17,658	0	0	0	11,893
Dornstauder	0.50	42,942	12,568	0	0	0	250
Dolan		123,543	12,638	0	0	0	9,524
Certificated teachers	372	26,538,706	3,720,295	0	0	71,500	0
Non-Certificated - other	209.2	7,385,658	1,717,806	0	0	0	0
<b>Totals</b>		<b>34,407,580</b>	<b>5,525,292</b>	<b>0</b>	<b>0</b>	<b>71,500</b>	<b>55,832</b>

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Red Deer Catholic Regional Division No. 39**

Legal Name of School Jurisdiction

**5210 - 61 Street, Red Deer, Ab. T4N 6N8**

Mailing Address

**403-343-1055 403-347-6410**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Mr. Roderic M. Steeves**

Name

**"ORIGINAL SIGNED"**

Signature

**27-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
 8th Floor Commerce Place, 10165-102 Street, Edmonton AB T5J 4L5  
 EMAIL: Cindy.Jerry@gov.ab.ca  
 PHONE: (780) 427-7782 FAX: (780) 422-6996

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<b>SCHEDULE C    ECS to Grade 12 Instruction Programs Expense Details</b>	<b>4</b>
<b>2006-2007 Board and System Administration Expenses</b>	
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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code

19

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$50,816,546	\$40,124,845	\$5,471,517	\$3,216,956	\$2,003,228	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$313,888		\$313,888			\$0
(4) Other - Government of Alberta	\$522,856	\$0	\$0	\$0	\$0	\$522,856
(5) Federal Government and/or First Nations	\$92,092	\$92,092	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$84,311	\$0	\$0	\$0	\$0	\$84,311
(7) Out of province authorities	\$142,191	\$142,191	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$568,867	\$568,867				
(10) Transportation fees	\$50,336			\$50,336		
(11) Other sales and services	\$505,222	\$169,592	\$24,497	\$297,243	\$13,890	\$0
(12) Investment Income	\$342,845	\$0	\$0	\$242,845	\$100,000	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$89,473	\$0	\$89,473	\$0	\$0	\$0
(15) Net school generated funds	\$1,312,550	\$1,312,550			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$2,449,184	\$280,982	\$2,168,182	\$0		\$0
(18) TOTAL REVENUES	\$57,270,341	\$42,691,119	\$8,047,557	\$3,807,380	\$2,117,118	\$807,167
<b>EXPENSES</b>						
(19) Certificated salaries	\$26,876,594	\$26,551,082			\$317,068	\$8,444
(20) Certificated benefits	\$3,745,709	\$3,652,917			\$92,792	\$0
(21) Non-certificated salaries and wages	\$7,602,486	\$4,570,470	\$929,969	\$1,197,421	\$787,680	\$116,946
(22) Non-certificated benefits	\$1,779,583	\$1,248,473	\$217,082	\$137,931	\$157,577	\$18,520
(23) SUB - TOTAL	\$40,004,372	\$36,022,942	\$1,147,051	\$1,335,352	\$1,355,117	\$143,910
(24) Services, contracts & supplies	\$10,783,987	\$4,242,952	\$3,779,981	\$1,677,798	\$619,999	\$463,257
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$1,312,550	\$1,312,550				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$2,449,184	\$280,982	\$2,168,182	\$0	\$0	\$0
(28) Unsupported	\$240,749	\$52,560	\$104,802	\$41,385	\$42,002	\$0
(29) Total Amortization	\$2,689,913	\$333,542	\$2,272,984	\$41,385	\$42,002	\$0
Interest on capital debt						
(30) Supported	\$313,888	\$0	\$313,888	\$0	\$0	\$0
(31) Unsupported	\$21,710	\$0	\$21,710	\$0	\$0	\$0
(32) Other interest charges	\$4,600	\$3,278	\$1,322	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$55,131,020	\$41,915,264	\$7,536,936	\$3,054,535	\$2,017,118	\$807,167
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,139,321	\$775,855	\$510,621	\$752,845	\$100,000	(\$0)

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$47,113,992
Additional Funding for Differential Cost Factors	\$0
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$2,053,058
Student Health Initiative (SHI)	\$93,000
Alberta Initiative for School Improvement (AISi)	\$740,394
SuperNet Services	\$108,378
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$82,204
Infrastructure Maintenance Renewal (IMR)	\$950,418
Other Funding from Alberta Education (describe)	(\$302,888)
<b>Total Alberta Education Revenues</b>	<b>\$50,816,546</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$3,547,172	\$2,197,407	\$569,729		\$0	\$0	\$6,284,308
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$2,003,851	\$301,826	\$63,349		\$0		\$2,368,926
ECS Program Unit (PUF)	\$1,085	\$372,027	\$182,896		\$0		\$555,808
Severe Disabilities (Gr 1-12)	\$1,345,760	\$1,708,169	\$316,937		\$0		\$3,370,866
English as a Second Language (ESL)	\$112,049	\$49,040	\$1,787		\$0		\$181,856
French Language & Francisation	\$0	\$0	\$79,345		\$0		\$79,345
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$36,915		\$0		\$36,915
First Nations, Metis and Inuit Education	\$0	\$0	\$85,000		\$0		\$85,000
Alberta Initiative for School Improvement	\$453,972	\$96,348	\$42,282	\$1,538	\$0		\$594,020
Student Health Initiative	\$820,238	\$66,177	\$28,623		\$0		\$713,338
SuperNet Service			\$108,378		\$0		\$108,378
Class Size Initiative	\$2,053,058	\$0	\$0	\$0	\$0		\$2,053,058
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$20,320,358	\$1,058,849	\$2,378,016	\$352,694	\$0	\$377,895	\$25,505,418
<b>TOTAL EXPENSES</b>	<b>\$30,857,271</b>	<b>\$5,818,943</b>	<b>\$3,899,320</b>	<b>\$354,232</b>	<b>\$0</b>	<b>\$377,895</b>	<b>\$41,815,264</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	38.8	25.2
ECS Program Unit (PUF)	0.0	14.9
Severe Disabilities (Gr 1-12)	10.2	61.7

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	<b>\$66,131,020</b>
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,271,398
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrolment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	<b>\$2,271,398</b>
Less: 2006/2007 Board and System Administration expenses	-\$2,017,118
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	<b>\$254,280</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	<b>\$801,540</b>																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Sources of School Generated Funds:</th> <th style="width: 20%;">Gross SGF</th> <th style="width: 20%;">Related Expenses</th> <th style="width: 20%;">Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td style="text-align: right;">\$819,461</td> <td style="text-align: right;">\$375,732</td> <td style="text-align: right;">\$443,729</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td style="text-align: right;">\$582,666</td> <td style="text-align: right;">\$79,053</td> <td style="text-align: right;">\$503,613</td> </tr> <tr> <td>Donations and grants to schools</td> <td style="text-align: right;">\$154,710</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$154,710</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$253,682</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$253,682</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td style="text-align: right;"><b>\$1,810,519</b></td> <td style="text-align: right;"><b>\$454,785</b></td> <td style="text-align: right;"><b>\$1,355,734</b></td> </tr> </tbody> </table>		Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$819,461	\$375,732	\$443,729	Student fees (Non-Instructional) (Note 1)	\$582,666	\$79,053	\$503,613	Donations and grants to schools	\$154,710	\$0	\$154,710	Other (describe):	\$253,682	\$0	\$253,682	<b>Net Additions to SGF</b>	<b>\$1,810,519</b>	<b>\$454,785</b>	<b>\$1,355,734</b>
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<b>Net SGF Available</b>	<b>\$2,157,274</b>																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Uses of Net School Generated Funds:</th> <th style="width: 40%;"></th> </tr> </thead> <tbody> <tr> <td>Extra-curricular activities</td> <td style="text-align: right;">\$778,771</td> </tr> <tr> <td>School site beautification</td> <td style="text-align: right;">\$8,559</td> </tr> <tr> <td>Field Trips</td> <td style="text-align: right;">\$69,818</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">\$16,880</td> </tr> <tr> <td>Family literacy and other community resources</td> <td style="text-align: right;">\$153,242</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$285,280</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td style="text-align: right;"><b>\$1,312,550</b></td> </tr> </tbody> </table>		Uses of Net School Generated Funds:		Extra-curricular activities	\$778,771	School site beautification	\$8,559	Field Trips	\$69,818	Equipment	\$16,880	Family literacy and other community resources	\$153,242	Other (describe):	\$285,280	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$1,312,550</b>								
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<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	<b>\$844,724</b>																								
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(i) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(i) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																									

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**The Board of Trustees of the Red Deer Public School District No. 104**

Legal Name of School Jurisdiction

**4747 53rd Street, Red Deer, Alberta T4N 2E6**

Mailing Address

**403-343-1405 403-347-8190**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of The Board of Trustees of the Red Deer Public School District No. 104 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Dr. W.K. Stuebing**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Mr. D. Falk**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Mrs. D Beck**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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Collins Barrow

Chartered Accountants

COLLINS BARROW RED DEER LLP  
300, 5010 - 43 Street  
Red Deer, Alberta, Canada  
T4N 6H2

T. 403.342.5541

F. 403.347.3766

email: reddeer@collinsbarrow.com

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## AUDITORS' REPORT

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### To the Board of Trustees of Red Deer Public School District No. 104

We have audited the statement of financial position of the Board of Trustees of the Red Deer Public School District No. 104 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Red Deer, Alberta

November 9, 2007

*Collins Barrow*  
*Red Deer LLP*

Chartered Accountants

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**Praxity**  
ASSOCIATE  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets	\$0,162,510	\$6,198,684
Cash and temporary investments	\$1,364,644	\$3,070,478
Accounts receivable (net after allowances)	\$277,875	\$294,879
Prepaid expenses	\$201,571	\$213,757
Other current assets	\$11,006,600	\$9,777,798
<b>Total current assets</b>	<b>\$1,213,691</b>	<b>\$1,423,586</b>
School generated assets	\$380,479	\$554,490
Trust assets	\$0	\$0
Long term accounts receivable	\$44,392	\$0
Long term investments		
Capital assets	\$1,416,015	\$1,416,015
Land		
Buildings	\$106,109,074	
Less: accumulated amortization	(\$43,833,705)	
Equipment	\$11,375,187	
Less: accumulated amortization	(\$9,198,770)	
Vehicles	\$1,177,194	
Less: accumulated amortization	(\$605,060)	
<b>Total capital assets</b>	<b>\$68,439,935</b>	<b>\$70,888,187</b>
<b>TOTAL ASSETS</b>	<b>\$81,085,097</b>	<b>\$82,644,061</b>
<b>LIABILITIES</b>		
Current liabilities	\$0	\$0
Bank indebtedness	\$2,187,829	\$3,019,986
Accounts payable and accrued liabilities	\$3,272,736	\$1,662,551
Deferred revenue	\$60,533	\$791,402
Deferred capital allocations	\$1,741,349	\$1,942,774
Current portion of all long term debt	\$7,262,447	\$7,416,693
<b>Total current liabilities</b>	<b>\$1,213,691</b>	<b>\$1,423,586</b>
School generated liabilities	\$380,479	\$554,490
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities		
Long term debt	\$9,992,232	\$11,935,007
Supported: Debentures and other supported debt		
Less: Current portion of supported debt	(\$1,741,349)	(\$1,942,774)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$51,945,512	\$52,860,837
Unamortized capital allocations	\$61,790,565	\$64,831,146
<b>Total long term liabilities</b>	<b>\$69,053,012</b>	<b>\$72,247,839</b>
<b>TOTAL LIABILITIES</b>	<b>\$81,085,097</b>	<b>\$82,644,061</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$2,209,702	\$57,441
Operating Reserves	\$3,009,177	\$4,004,648
Accumulated Operating Surplus (Deficit)	\$5,218,879	\$4,062,089
Investment in capital assets	\$6,502,169	\$6,092,341
Capital Reserves	\$311,017	\$241,792
Total Capital Funds	\$6,813,206	\$6,334,133
<b>Total net assets</b>	<b>\$12,032,085</b>	<b>\$10,396,222</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$81,085,097</b>	<b>\$82,644,061</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$76,551,179	\$78,900,927	\$72,362,739
Federal Government and/or First Nations	\$135,817	\$86,566	\$133,426
Other Alberta school authorities	\$161,090	\$312,000	\$212,247
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$46,959	\$0	\$168,960
Instruction resource fees	\$1,878,424	\$950,000	\$1,352,835
Transportation fees	\$241,547	\$206,000	\$229,503
Other sales and services	\$1,664,338	\$1,667,134	\$1,105,060
Investment income	\$429,122	\$80,000	\$219,559
Gifts and donations	\$111,133	\$0	\$177,635
Rentals of facilities	\$101,949	\$16,000	\$86,813
Net school generated funds	\$129,407	\$470,035	\$187,911
Gains on disposal of capital assets	\$125	\$0	\$11,463
Amortization of capital allocations	\$3,588,968	\$257,794	\$3,667,139
<b>Total Revenues</b>	<b>\$85,040,058</b>	<b>\$82,946,456</b>	<b>\$79,915,290</b>
<b>EXPENSES</b>			
Certificated salaries	\$41,507,804	\$40,309,115	\$39,731,301
Certificated benefits	\$5,752,964	\$5,927,539	\$5,301,013
Non-certificated salaries and wages	\$12,779,945	\$11,450,400	\$12,471,894
Non-certificated benefits	\$2,105,939	\$3,816,800	\$2,079,690
Services, contracts and supplies	\$15,885,289	\$17,519,088	\$14,409,833
Net school generated funds	\$129,407	\$470,035	\$187,911
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$3,588,968	\$0	\$3,667,139
Unsupported	\$633,883	\$393,059	\$484,508
Total Amortization of capital assets	\$4,222,851	\$393,059	\$4,151,647
Interest on capital debt			
Supported	\$1,004,402	\$3,057,420	\$1,198,126
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$1,004,402	\$3,057,420	\$1,198,126
Other interest charges	\$15,594	\$3,000	\$12,004
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$83,404,195</b>	<b>\$82,946,456</b>	<b>\$79,543,419</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,635,863	\$0	\$371,871
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,635,863</b>	<b>\$0</b>	<b>\$371,871</b>

**Notes:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,635,863	\$371,871
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,588,968)	(\$3,687,139)
Total amortization expense	\$4,222,851	\$4,151,647
Gains on disposal of capital assets	(\$125)	(\$11,463)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$1,705,834	\$2,887,091
Prepays and other current assets	\$29,190	(\$8,236)
Long term accounts receivable	\$0	\$0
Long term investments	(\$44,392)	\$0
Payables and accrued liabilities	(\$832,137)	(\$1,462,475)
Deferred revenue	\$1,610,185	\$252,232
Employee future benefit expense (recovery)	\$0	\$0
Other (describe) asset disposal	\$19,929	\$58,810
Total sources (uses) of cash from Operations	\$4,758,230	\$2,572,336
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$860,033)	(\$2,486,562)
Equipment	(\$799,778)	(\$988,887)
Vehicles	(\$134,592)	(\$239,905)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,794,403)	(\$3,715,354)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$93,505
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,942,775)	(\$2,126,089)
Add back: supported portion	\$1,942,774	\$2,126,089
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	(\$1)	\$93,505
Net sources (uses) of cash during year	\$2,963,826	(\$1,049,513)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$6,198,684	\$7,248,197
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$9,162,510	\$6,198,684

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2007

(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$10,396,222	\$6,092,341	\$57,441	\$4,004,648	\$241,792
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$10,396,222	\$6,092,341	\$57,441	\$4,004,648	\$241,792
Excess(def) of revenue over expenses	\$1,635,863		\$1,635,863		
Board funded capital transactions		\$1,063,535	(\$1,063,535)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$4,222,851)	\$4,222,851		
Amortization of capital allocations		\$3,588,968	(\$3,588,968)		
Disposal of unsupported capital assets	\$0	(\$19,804)	\$19,804		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$576,190)	\$576,190	
Net transfers from operating reserves			\$1,571,661	(\$1,571,661)	
Net transfers to capital reserves			(\$69,225)		\$69,225
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$12,032,085	\$6,502,189	\$2,209,702	\$3,009,177	\$311,017

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$791,402	\$52,860,837
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$791,402	\$52,860,837
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,942,774
Expended capital allocations - current year	(\$730,869)	\$730,869
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$3,588,968
Balance at August 31, 2007	\$60,533	\$51,945,512

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2007**

**1. AUTHORITY AND PURPOSE**

The Board of Trustees of the Red Deer Public School District No. 104 ("the jurisdiction") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The jurisdiction is limited on certain funding allocations and administration expenses.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**Revenue Recognition**

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they are related.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations represent externally restricted supported capital funds and are recorded as deferred capital allocations until the amount is invested in capital assets. Amounts invested in capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded. The related portion of amortization expense and the deferred capital contribution revenues are matched to indicate that the related amortization expense has been funded.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds to be retained as net assets are recorded as direct increases to trust assets and liabilities.

**Measurement Uncertainty**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: obligation under the Supplemental Integrated Pension Plan (SiPP), amortization of capital assets and unamortized capital allocations. Actual results may differ from management's best estimates as additional information becomes available in the future.

**Cash and Cash Equivalents**

Cash and temporary investments includes cash and temporary investments with maturities of three months or less and bank indebtedness that is utilized periodically for day to day operations.



# THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL DISTRICT NO. 104

## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2007

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

#### Inventories (Included in other current assets)

Inventories are valued at the lower of cost and net realizable value. Cost is determined on an average cost basis.

#### School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the jurisdiction. These are funds in the community, which come under the control and responsibility of the school principals and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level.

#### Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only costs in excess of \$5,000 are capitalized. No amortization is taken in the year of acquisition.

#### Vacation Pay

Vacation pay is recorded in the period in which the employee earns the benefit.

#### Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

#### Contributed Services

Volunteers assist schools operated by the School District in carrying out certain activities. Because of the difficulty in determining fair value and the fact such assistance is not otherwise purchased; contributed services are not recognized in the financial statements.

#### Employee Future Benefits

The jurisdiction participates in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the jurisdiction's participating employees, based on years of service and earnings. The jurisdiction's portion of LAPP's deficit is not recorded.

The jurisdiction also participates in a Supplemental Integrated Pension Plan (SiPP) for certain employees of the jurisdiction. The plan supplements the benefits received under the LAPP in Alberta. The plan is a defined benefit plan, and consists of a registered and non-registered component. Both components provide benefits based on years of service and earnings. The registered component of the plan is responsible for any plan deficits. The unregistered component is unfunded and the liability is determined by an actuarial valuation using estimates described in note 18.



**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2007**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Employee Future Benefits (continued)**

Pension costs are disclosed as a part of the certified and uncertified benefits and are comprised of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the LAPP and SiPP.

**3. CASH**

Included in cash is \$668,419 restricted to be used for the Central Alberta Regional Consortium.

**4. ACCOUNTS RECEIVABLE**

	2007	2006
Province of Alberta	\$ 1,078,755	\$ 2,792,724
Federal Government	122,183	166,978
Other	163,706	110,776
	<b>\$ 1,364,644</b>	<b>\$ 3,070,478</b>

**5. TRUST ASSETS**

	2007	2006
Deferred salary leave plan	\$ 364,815	\$ 536,972
Deferred salary retirement plan	15,664	17,518
	<b>\$ 380,479</b>	<b>\$ 554,490</b>

**6. BANK INDEBTEDNESS**

The School District maintains a revolving credit facility with an authorized limit of \$4,000,000 bearing interest at prime less 1/2% (prime is currently 6.25%). Collateral is provided by a general assignment of book debts. There was no balance outstanding on the revolving credit facility at August 31, 2007.

**7. ACCOUNTS PAYABLE**

	2007	2006
Province of Alberta	\$ 619,406	\$ 836,126
Federal Government	399	2,054
Alberta Municipalities	-	1,761
Other Alberta School Jurisdictions	-	9,099
Other trade payables and accrued liabilities	1,568,024	2,170,926
	<b>\$ 2,187,829</b>	<b>\$ 3,019,966</b>

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2007

**8. DEFERRED REVENUE**

	2007	2006
External programs	\$ 2,612,308	\$ 1,186,432
Other	660,428	476,119
	<b>\$ 3,272,736</b>	<b>\$ 1,662,551</b>

**9. LONG-TERM DEBT**

	2007	2006
<u>Supported debentures</u> with initial terms of 20 years maturing 2006 to 2015, with interest rates varying between 7 1/2% and 12% repayable in annual installments of principal and interest. The debenture debt is fully supported by Alberta Finance.	\$ 9,992,232	\$ 11,935,007
Less amount due within one year	1,741,349	1,942,774
	<b>\$ 8,250,883</b>	<b>\$ 9,992,233</b>

The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

Principal repayments estimated for the next five years are as follows:

2008	\$ 1,741,349
2009	1,652,231
2010	1,576,963
2011	1,426,733
2012	1,326,717
Subsequent	2,268,239
	<b>\$ 9,992,232</b>

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2007

**10. FINANCIAL INSTRUMENTS**

The jurisdiction's financial instruments consist of cash, accounts receivable, long-term investment, accounts payable and accrued liabilities and long-term debt. The fair value of these financial instruments approximates their carrying value, unless otherwise noted. It is management's opinion that the jurisdiction is not exposed to significant price, credit, liquidity or cash flow risks arising from these financial instruments except as follows:

**Credit risk**

The school jurisdiction is exposed to credit risk as it grants credit to its customers/parents in the normal course of business. To mitigate this risk the jurisdiction regularly reviews its accounts receivable list.

**Interest rate risk**

The school jurisdiction is exposed to interest rate price risk as the long-term debt bears interest at fixed rates. This risk is mitigated as the long-term debt is fully supported by Alberta Finance.

**Fair value**

The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the immediate or short-term maturity of these instruments.

Fair value of long-term debt is not disclosed since the repayment of principal and interest is supported by Alberta Education.

**11. STATEMENT OF CASH FLOWS**

Included in cash flows from operations is \$1,114,646 (2006 - \$1,319,758) paid for interest on capital debt.

**12. CONTINGENCY**

The jurisdiction is a member of Urban Schools Insurance Consortium. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims.

**13. COMMITMENTS**

**Deferred Revenue**

Included in deferred revenue at August 31, 2007 was \$1,968,847 of Infrastructure Maintenance Renewal funding that has been set aside for Aspen Heights School Projects.

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104**

**NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2007**

**13. COMMITMENTS (continued)**

Leases

The jurisdiction is committed to payments on photocopier leases expiring from October 2005 to November 2010. Estimated lease obligation payments for the next three years are as follows:

2008	\$ 250,715
2009	250,715
2010	42,464
	<hr/>
	\$ 794,609

During the year, the jurisdiction entered into a lease agreement for a storage server expiring in December 2010, for monthly payments of \$3,420. Estimated lease obligation payments for the next three years are as follows:

2008	\$ 38,881
2009	38,881
2010	13,680
	<hr/>
	\$ 91,442

Utility Commitments

The jurisdiction has entered into an electrical contract in order to manage its exposure to volatility in the electrical industry. Under the contract, the jurisdiction is paying a fixed rate of 5.409 cents per kilowatt-hour until December 2010.

**14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

The Red Deer Public School District's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

**15. BUDGET**

The Board of Trustees approved the revised 2006/2007 budget on December 13, 2006. It is presented for informative purposes only and has not been audited.

**16. SUBSEQUENT EVENT**

During the year, the Board of Trustees gave approval to enter into an agreement with the City of Red Deer to exchange the existing G.H. Dawe Community School gymnasium and instructional space for the construction of a new gymnasium and three classrooms. The exchange will occur when construction is completed. The construction project has not yet been tendered or started.

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2007

**17. RELATED PARTY TRANSACTIONS**

School jurisdictions are related with the Government of Alberta. All transactions between the jurisdiction and the Government of Alberta are disclosed in these financial statements as follows:

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Education	\$ 453,660	\$ 77,242	\$ 75,035,941	\$ 413,426
Infrastructure & Transportation	60,602			
Finance	533,584	10,525,816	1,004,402	1,678
Health & Wellness				
Other Gov't of Alberta departments			510,835	
Health Authorities	15,623	72,671	46,959	52,380
Post secondary institutions		1,256		36,300
Other Alberta School Jurisdictions	82,901		159,000	329,072
Other related parties	266	19,372	2,090	
<b>Total 2006-2007</b>	<b>\$ 1,146,636</b>	<b>\$ 10,696,357</b>	<b>\$ 76,759,227</b>	<b>\$ 832,856</b>
<b>Total 2005-2006</b>	<b>\$ 1,560,079</b>	<b>\$ 13,562,537</b>	<b>\$ 73,472,033</b>	<b>\$ 297,630</b>

Asset balances included above are included in accounts receivable. Liabilities consist of \$704,125 included in accounts payable and \$9,992,232 in debenture debt. Principle and interest charges for the year are fully supported by Alberta Education.

Revenue and expense transactions were incurred in the normal course of operations and are recorded at the exchange amount which is the amount agreed to and paid by the related parties.

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2007**

**18. EMPLOYEE FUTURE BENEFITS**

The pension expense recorded in these financial statements for the Local Authorities Pension Plan is equivalent to the jurisdiction's annual contributions of \$926,727 for the year ended August 31, 2007 (2006 - \$885,083).

At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000). Contribution rates have remained consistent with the prior year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the jurisdiction does not make pension contributions for certificated staff.

The pension expense recorded in these financial statements for the Supplemental Integrated Pension Plan (SiPP) is \$44,546 (2006 - \$44,546)

The accrued benefit obligation for the non-registered component of SiPP at August 31, 2007 is \$39,600 (2006 - \$80,600). The obligation has been recorded in these financial statements as part of accounts payable. The benefit was calculated using the projected accrued benefit cost method with pro-ratio on service. The actuarial assumptions used in calculating this benefit are as follows:

Expected average remaining service life	13 years
Assumed discount rate on liabilities	5.75%
Weighted average expected increase in salaries	4.0%
Retirement age	60 years

Yearly Maximum Pensionable Earnings of \$43,700 for 2007 (\$42,100 - 2006) is estimated to increase by 3.25% per year.

The plan is a defined benefit plan. Yearly benefits will be calculated as 1.4% of the participant's final average earnings up to the average yearly maximum pensionable earnings, plus 2.0% of the participant's final average earnings in excess of the average yearly maximum pensionable earnings adjusted for early retirement and pensionable service time.

The retirement benefit cost to the district for 2007 is \$46,500 (2006 - \$38,000).

**THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL  
DISTRICT NO. 104  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2007**

**19. REMUNERATION AND MONETARY INCENTIVES**

The Red Deer Public School District had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Name	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
<b>Board Members</b>							
B. Stuebing	1	\$ 16,179	\$ 4,221	\$ -	\$ -	\$ -	\$ 2,528
G. Holland	1	13,164	2,132	-	-	-	2,967
L. Lee	1	13,473	3,949	-	-	-	3,100
B. Manning	1	14,293	4,693	-	-	-	1,409
J. Watters	1	14,091	4,591	-	-	-	4,840
D. Lemke	1	14,400	4,239	-	-	-	3,909
D. Macaulay	1	14,014	4,591	-	-	-	4,385
		<u>99,614</u>	<u>28,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,138</u>
<b>Other</b>							
D. Falk	1	147,200	21,511	-	-	-	-
D. Beck	1	121,351	27,818	-	-	-	-
		<u>268,551</u>	<u>49,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Certified salaries</b>		41,360,605	5,731,463	-	-	-	-
<b>Uncertified salaries</b>		12,583,612	2,049,706	-	-	-	-
		<u>53,944,217</u>	<u>7,781,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<b>\$ 54,312,382</b>	<b>\$ 7,858,914</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,138</b>

**20. APPROVAL OF FINANCIAL STATEMENTS**

The Board of Trustees approved these financial statements on November 28, 2007.

## UNAUDITED SCHEDULES

TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007  
[School Act, Section 276]

**The Board of Trustees of the Red Deer Public School District No. 104**

Legal Name of School Jurisdiction

**4747 53rd Street Red Deer, Alberta T4N 2E6**

Mailing Address

**403-343-1405 403-347-8190**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

**Mrs. D Beck**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Dated

c.e. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L8  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996



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**SCHEDULE A**

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code

3070

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$75,035,942	\$61,368,305	\$7,889,295	\$2,368,501	\$2,291,564	\$1,118,277
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$1,004,402		\$1,004,402			\$0
(4) Other - Government of Alberta	\$510,835	\$131,401	\$0	\$0	\$0	\$379,434
(5) Federal Government and/or First Nations	\$135,817	\$135,817	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$161,090	\$87,090	\$0	\$0	\$0	\$74,000
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$46,959	\$19,449	\$0	\$0	\$0	\$27,510
(9) Instruction resource fees	\$1,878,424	\$1,878,424				
(10) Transportation fees	\$241,547			\$241,547		
(11) Other sales and services	\$1,664,338	\$1,239,583	\$0	\$0	\$0	\$424,775
(12) Investment Income	\$429,122	\$411,957	\$0	\$0	\$17,165	\$0
(13) Gifts and donations	\$111,133	\$111,133	\$0	\$0		\$0
(14) Rentals of facilities	\$101,949	\$97,871	\$0	\$0	\$4,078	\$0
(15) Net school generated funds	\$129,407	\$129,407			\$0	
(16) Gains on disposal of capital assets	\$125	\$0	\$125	\$0	\$0	\$0
(17) Amortization of capital allocations	\$3,588,968	\$0	\$3,588,968	\$0		\$0
(18) TOTAL REVENUES	\$85,040,058	\$85,610,417	\$12,482,790	\$2,610,048	\$2,312,807	\$2,023,906
<b>EXPENSES</b>						
(19) Certificated salaries	\$41,507,804	\$40,946,499			\$499,247	\$62,058
(20) Certificated benefits	\$5,752,964	\$5,652,375			\$89,120	\$11,469
(21) Non-certificated salaries and wages	\$12,779,945	\$8,795,497	\$2,562,844	\$79,941	\$849,609	\$492,054
(22) Non-certificated benefits	\$2,105,939	\$1,249,069	\$597,834	\$16,436	\$151,662	\$90,938
(23) SUB - TOTAL	\$82,146,652	\$56,643,440	\$3,160,678	\$96,377	\$1,589,638	\$656,519
(24) Services, contracts & supplies	\$15,885,289	\$7,674,583	\$4,166,497	\$2,059,146	\$617,586	\$1,367,477
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$129,407	\$129,407				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$3,588,968	\$0	\$3,588,968	\$0	\$0	\$0
(28) Unsupported	\$633,863	\$364,588	\$250,236	\$0	\$19,059	\$0
(29) Total Amortization	\$4,222,851	\$364,588	\$3,839,204	\$0	\$19,059	\$0
Interest on capital debt						
(30) Supported	\$1,004,402	\$0	\$1,004,402	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$15,594	\$12,405	\$0	\$0	\$3,199	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$83,404,195	\$64,824,423	\$12,170,781	\$2,155,523	\$2,229,472	\$2,023,996
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,635,863	\$785,994	\$312,009	\$454,525	\$83,335	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$47,811,548
Additional Funding for Differential Cost Factors	\$19,885,131
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$3,127,881
Student Health Initiative (SHI)	\$217,000
Alberta Initiative for School Improvement (AIS)	\$1,186,404
SuperNet Services	\$189,176
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$857,142
Regional Consortium and Regional Educational Consulting Services	\$1,118,277
Learning Resources Credit Allocation	\$121,589
Infrastructure Maintenance Renewal (IMR)	\$862,004
Other Funding from Alberta Education (describe):	\$0
Total Alberta Education Revenues	\$75,035,942

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$23,872,876	\$4,099,028	\$6,035,450		\$0	\$506,400	\$47,813,854
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$2,384,085	\$1,103,874	\$95,434		\$0		\$3,583,193
ECS Program Unit (PUF)	\$261,074	\$921,063	\$143,950		\$0		\$1,356,087
Severe Disabilities (Gr 1-12)	\$1,715,027	\$3,320,547	\$717,739		\$0		\$5,753,313
English as a Second Language (ESL)	\$121,480	\$0	\$0		\$0		\$121,480
French Language & Francisation	\$113,851	\$0	\$0		\$0		\$113,851
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$233,236	\$169,834	\$31,918		\$0		\$431,988
Alberta Initiative for School Improvement	\$1,186,404	\$0	\$0	\$0	\$0		\$1,186,404
Student Health Initiative	\$0	\$213,233	\$3,787		\$0		\$217,000
SuperNet Service			\$189,176		\$0		\$189,176
Class Size Initiative	\$3,127,881	\$0	\$0	\$0	\$0		\$3,127,881
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$453,300	\$220,187	\$107,388	\$389,763	\$0	\$0	\$1,150,638
<b>TOTAL EXPENSES</b>	<b>\$46,598,874</b>	<b>\$10,044,586</b>	<b>\$7,304,820</b>	<b>\$389,763</b>	<b>\$0</b>	<b>\$506,400</b>	<b>\$64,824,423</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	25.1	31.9
ECS Program Unit (PUF)	3.0	19.2
Severe Disabilities (Gr 1-12)	8.0	68.8

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$83,404,196
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$4,170,210
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrolment	8,813
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$4,170,210
Less: 2006/2007 Board and System Administration expenses	-\$2,229,472
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$1,940,738

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$1,423,586																		
<b>Sources of School Generated Funds:</b>																			
	<table border="1"> <thead> <tr> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td>\$234,484</td> <td>\$130,474</td> </tr> <tr> <td>Student fees (Non-instructional) (Note 1)</td> <td>\$956,538</td> <td>\$1,041,396</td> </tr> <tr> <td>Donations and grants to schools</td> <td>\$147,508</td> <td>\$0</td> </tr> <tr> <td>Other (describe):</td> <td>\$1,280,878</td> <td>\$1,528,026</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td><b>\$2,619,408</b></td> <td><b>\$2,699,896</b></td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$234,484	\$130,474	Student fees (Non-instructional) (Note 1)	\$956,538	\$1,041,396	Donations and grants to schools	\$147,508	\$0	Other (describe):	\$1,280,878	\$1,528,026	<b>Net Additions to SGF</b>	<b>\$2,619,408</b>	<b>\$2,699,896</b>
Gross SGF	Related Expenses	Net SGF																	
Fundraising activities	\$234,484	\$130,474																	
Student fees (Non-instructional) (Note 1)	\$956,538	\$1,041,396																	
Donations and grants to schools	\$147,508	\$0																	
Other (describe):	\$1,280,878	\$1,528,026																	
<b>Net Additions to SGF</b>	<b>\$2,619,408</b>	<b>\$2,699,896</b>																	
	(\$80,486)																		
<b>Net SGF Available</b>	\$1,343,098																		
<b>Uses of Net School Generated Funds:</b>																			
Extra-curricular activities	\$0																		
School site beautification	\$0																		
Field Trips	\$0																		
Equipment	\$0																		
Family literacy and other community resources	\$0																		
Other (describe): awards, Young Writers conference, student incentives, Artist in Residence	\$129,407																		
<b>Total Uses of Net SGF (Note 2)</b>	\$129,407																		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$1,213,691																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**ROCKY VIEW SCHOOL DIVISION NO. 41**

Legal Name of School Jurisdiction

**2651 CHINOOK WINDS DRIVE SW, AIRDRIE AB T4B 0B4**

Mailing Address

**403-945-4000 403-845-4001**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

ROCKY VIEW SCHOOL DIVISION NO. 41

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN****Sylvia Eggerer**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT****GREGORY BASS**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER****DARRELL COUTURE**

Name

**"ORIGINAL SIGNED"**

Signature

**29-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10165-102 Street, Edmonton AB T5J 4L6  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7762 (Toll free 310-0000)

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Deloitte & Touche LLP  
3000 Scotia Centre  
700 Second Street S.W.  
Calgary AB T2P 0S7  
Canada

Tel: (403) 267-1700  
Fax: (403) 264-2871  
[www.deloitte.ca](http://www.deloitte.ca)

## Auditors' Report

To the Board of Trustees of  
**Rocky View School Division No. 41:**

We have audited the statement of financial position of **Rocky View School Division No. 41** (the "Jurisdiction") as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Jurisdiction as at August 31, 2007 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Calgary, Alberta  
November 9, 2007

Chartered Accountants



**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$11,450,080	\$12,805,123
Accounts receivable (net after allowances)	\$2,139,904	\$4,184,788
Prepaid expenses	\$589,434	\$193,060
Other current assets	\$104,084	\$57,516
<b>Total current assets</b>	<b>\$14,283,502</b>	<b>\$17,240,487</b>
School generated assets	\$2,769,856	\$2,712,284
Trust assets	\$1,730,906	\$1,857,245
Long term accounts receivable	\$5,741	\$7,635
Long term investments	\$0	\$0
Capital assets		
Land	\$4,202,456	\$1,900,210
Buildings	\$198,792,361	
Less: accumulated amortization	(\$65,186,213)	\$133,606,148
Equipment	\$15,433,906	
Less: accumulated amortization	(\$12,117,482)	\$3,316,424
Vehicles	\$883,353	
Less: accumulated amortization	(\$487,361)	\$395,992
<b>Total capital assets</b>	<b>\$141,521,020</b>	<b>\$137,295,842</b>
<b>TOTAL ASSETS</b>	<b>\$160,311,025</b>	<b>\$159,113,493</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$472,576	\$131,151
Accounts payable and accrued liabilities	\$7,919,859	\$10,071,275
Deferred revenue	\$3,923,328	\$1,845,364
Deferred capital allocations	\$985,572	\$3,303,752
Current portion of all long term debt	\$2,704,142	\$2,958,034
<b>Total current liabilities</b>	<b>\$16,095,477</b>	<b>\$18,109,576</b>
School generated liabilities	\$2,769,856	\$2,712,284
Trust liabilities	\$1,730,906	\$1,857,245
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$11,919,539	\$14,717,283
Less: Current portion of supported debt	(\$2,630,889)	(\$2,802,444)
Unsupported: Debentures and Capital Loans	\$4,353,393	\$4,508,982
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$163,253)	(\$155,590)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$108,425,789	\$102,100,177
<b>Total long term liabilities</b>	<b>\$126,405,341</b>	<b>\$122,937,937</b>
<b>TOTAL LIABILITIES</b>	<b>\$142,500,818</b>	<b>\$141,047,513</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$0	\$1
Operating Reserves	\$360,767	\$1,269,005
Accumulated Operating Surplus (Deficit)	\$360,767	\$1,269,006
Investment in capital assets	\$16,824,191	\$15,989,397
Capital Reserves	\$625,249	\$627,577
<b>Total Capital Funds</b>	<b>\$17,449,440</b>	<b>\$16,796,974</b>
<b>Total net assets</b>	<b>\$17,810,207</b>	<b>\$18,065,980</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$160,311,025</b>	<b>\$159,113,493</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$120,706,155	\$114,802,185	\$112,052,124
Federal Government and/or First Nations	\$873,009	\$661,649	\$731,464
Other Alberta school authorities	\$218,345	\$400,000	\$206,968
Out of province authorities	\$0		\$0
Alberta Municipalities (excluding supplementary requisitions)	\$138,045	\$40,000	\$32,660
Instruction resource fees	\$1,822,924	\$2,026,998	\$1,810,112
Transportation fees	\$952,567	\$1,000,000	\$776,216
Other sales and services	\$227,012	\$18,200	\$102,836
Investment income	\$635,844	\$50,000	\$538,251
Gifts and donations			\$0
Rentals of facilities	\$384,213	\$428,500	\$422,961
Net school generated funds	\$3,249,296	\$3,000,000	\$3,301,988
Gains on disposal of capital assets	\$16,424		\$8,269
Amortization of capital allocations	\$3,427,798	\$8,000,000	\$8,485,358
<b>Total Revenues</b>	<b>\$132,651,632</b>	<b>\$130,427,532</b>	<b>\$128,469,207</b>
<b>EXPENSES</b>			
Certificated salaries	\$64,341,148	\$57,353,637	\$60,815,919
Certificated benefits	\$7,325,458	\$6,406,159	\$6,767,860
Non-certificated salaries and wages	\$19,113,894	\$19,298,278	\$17,477,110
Non-certificated benefits	\$4,542,478	\$4,236,207	\$3,861,288
Services, contracts and supplies	\$28,297,287	\$29,766,169	\$24,721,688
Net school generated funds	\$3,249,296	\$3,000,000	\$3,301,988
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$3,427,798	\$8,000,000	\$8,485,358
Unsupported	\$920,020	\$761,360	\$427,794
<b>Total Amortization of capital assets</b>	<b>\$4,347,818</b>	<b>\$8,761,360</b>	<b>\$8,913,152</b>
Interest on capital debt			
Supported	\$1,468,180	\$1,470,000	\$1,758,659
Unsupported	\$220,566	\$211,982	\$228,046
<b>Total interest on capital debt</b>	<b>\$1,688,746</b>	<b>\$1,681,982</b>	<b>\$1,986,705</b>
Other interest charges	\$1,280	\$20,000	\$1,728
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$132,907,405</b>	<b>\$130,523,792</b>	<b>\$127,847,438</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$255,773)	(\$96,260)	\$621,769
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$255,773)</b>	<b>(\$96,260)</b>	<b>\$621,769</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	(\$255,773)	\$621,769
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,427,798)	(\$8,485,358)
Total amortization expense	\$4,347,818	\$8,913,152
Gains on disposal of capital assets	(\$16,424)	(\$8,269)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$2,044,884	(\$735,066)
Prepays and other current assets	(\$442,942)	\$77,445
Long term accounts receivable	\$1,894	\$1,892
Long term investments	\$0	
Payables and accrued liabilities	(\$2,151,416)	\$1,987,135
Deferred revenue	\$2,277,964	(\$46,812)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	(\$3)	
Total sources (uses) of cash from Operations	\$2,378,204	\$2,325,888
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	(\$16,737)	(\$744,238)
Buildings	(\$7,190,159)	(\$24,651,505)
Equipment	(\$1,220,202)	(\$1,291,801)
Vehicles	(\$209,216)	(\$102,082)
Net proceeds from disposal of capital assets	\$16,424	\$8,269
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$8,619,890)	(\$26,781,357)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$4,698,918	\$17,747,480
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$2,953,333)	(\$3,001,339)
Add back: supported portion	\$2,799,633	\$2,859,634
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$4,545,218	\$17,605,775
Net sources (uses) of cash during year	(\$1,696,468)	(\$6,849,694)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$12,673,972	\$19,523,666
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$10,977,504	\$12,673,972

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2007

(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$18,065,980	\$15,969,397	\$1	\$1,269,005	\$827,577
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$18,065,980	\$15,969,397	\$1	\$1,269,005	\$827,577
Excess(def) of revenue over expenses	(\$255,773)		(\$255,773)		
Board funded capital transactions		\$1,619,222		(\$1,275,245)	(\$343,977)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$4,347,818)	\$4,347,818		
Amortization of capital allocations		\$3,427,798	(\$3,427,798)		
Disposal of unsupported capital assets	\$0	\$0	(\$16,424)		\$16,424
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$155,592	(\$155,592)		
Net transfers to operating reserves			(\$662,354)	\$662,354	
Net transfers from operating reserves			\$295,347	(\$295,347)	
Net transfers to capital reserves			(\$125,225)		\$125,225
Net transfers from capital reserves			\$0		
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$17,810,207	\$16,824,191	\$0	\$360,767	\$625,249

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$3,303,752	\$102,100,177
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$3,303,752	\$102,100,177
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$4,641,544	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$57,374	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$2,799,633
Expended capital allocations - current year	(\$7,017,098)	\$7,017,098
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$63,321
Capital allocations amortized to revenue		\$3,427,798
Balance at August 31, 2007	\$985,572	\$108,425,789

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

# ROCKY VIEW SCHOOL DIVISION NO.41

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

#### b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	10% to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

#### c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

#### d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

#### e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Rocky View School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$ 2,415,166 for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

f) Inventories

Inventories are recorded at the lower of cost or net realizable value.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

l) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

m) Implementation of New CICA Handbook Sections

Sections 3855 and 3861 of the CICA Handbook pertaining to Financial Instruments are required to be adopted by not-for-profit organizations for the year-ends beginning on or after October 1, 2006. Accordingly, the Jurisdiction will adopt these standards for its August 31, 2008 year-end. It is expected that the only implication will be increased financial statement disclosure and the prospective recording of investments at fair market value.

### 3. ACCOUNTS RECEIVABLE

	2007	2006
Alberta Education	\$1,005,117	\$186,964
Alberta Infrastructure	-	\$2,912,898
Other Province of Alberta	\$15,800	\$15,800
Federal Government	\$166,547	\$450,699
Other Alberta School Jurisdictions	\$228,182	\$209,502
Other	\$724,258	\$408,925
Total	\$2,139,904	\$4,184,788

### 4. BANK INDEBTEDNESS

The Jurisdiction has negotiated a line of credit to the maximum amount of \$4,184,788 that bears interest at prime rate less .25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.



## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2007	2006
Alberta Education	\$554,864	\$124,175
Other Trade Payables and Accrued Liabilities	\$7,364,995	\$9,957,100
Total	\$7,919,859	\$10,081,275

## 6. DEFERRED REVENUE

	2007	2006
Infrastructure Maintenance Program (from AI&T)	\$ -	\$144,830
Infrastructure Maintenance Renewal (from Education)	2,058,002	-
Alberta Initiative for School Improvement (from Education)	462,472	255,883
1998-99 One Time Grant	-	140,384
Other	1,402,854	1,104,267
Total	\$3,923,328	\$1,645,364

## 7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2007	2006
Deferred Salary Leave Plan	\$287,848	\$ 176,738
Scholarship Trusts	158,264	140,264
Children and Youth with Complex Needs (Banker Board)	1,284,794	1,540,243
Total	\$1,730,906	\$1,857,245

## 8. LONG TERM DEBT

### a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$2,630,889	\$1,184,151	\$3,815,040
2008-2009	2,351,130	916,293	3,267,423
2009-2010	2,142,798	681,375	2,824,173
2010-2011	1,796,164	464,649	2,260,813
2011-2012	1,293,955	286,507	1,580,462
2012 to maturity	1,704,603	260,710	1,965,313
Total	\$11,919,539	\$3,793,685	\$15,713,224

### b) Capital Leases – Unsupported

Currently, there is no capital leases held by the Jurisdiction.

### c) Debenture Debt – Unsupported

The debenture debt bears interest at rates varying between 4.923% and 10.125%. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007-2008	\$163,253	\$212,721	\$375,974
2008-2009	171,293	204,494	375,787
2009-2010	179,735	195,868	375,603
2010-2011	188,512	186,820	375,332
2011-2012	196,011	177,332	373,343
2012 to maturity	3,454,589	1,212,287	4,666,876
Total	\$4,353,393	\$2,189,522	\$6,542,915

## 9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

## 10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

## 11. COMMITMENTS

- a) **Building Projects:** The Jurisdiction is committed to further capital expenditures for the construction of the new Chestermere Elementary School of approximately \$9,553,300. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.
- b) **Office Lease:** The Jurisdiction is committed to lease office space to July 31, 2010, with which the annual rental of \$80,377 is recovered annually from operating funds.

## 12. CONTINGENCIES

- b) The jurisdiction has been named as a defendant in lawsuits whereby the plaintiff is seeking damages in the amount of \$510,000. As the likelihood of the outcome and potential damages, if any, ensuing from this lawsuit are not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with this lawsuit.

## 13. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Rocky View School Division had related party transactions for the year ended August 31, 2007 with the following parties, which were recorded in the Statement of Revenues and Expenses and Statement of Financial Position, at the amount of consideration agreed upon between the related parties.

2006-2007	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	1,005,117	3,482,033	119,203,619	\$ 0
Infrastructure & Transportation		0		0
Finance	0	16,272,932	1,468,180	0
Health & Wellness	0	0		0
Human Resources/Employment	15,800	0	15,800	
Other Gov't of Alberta departments	0	30,542	18,556	
<b>Other:</b>				
Health authorities	0	0		594,525
Post-secondary institutions			58,888	29,938
Other Alberta school jurisdictions	228,182		218,345	387,554
Other related parties		0	87,225	87,225
<b>TOTAL 2006-2007</b>	<b>1,249,099</b>	<b>19,785,507</b>	<b>121,070,613</b>	<b>1,099,242</b>
<b>TOTAL 2006-2006</b>	<b>3,325,164</b>	<b>19,891,537</b>	<b>112,367,015</b>	<b>673,328</b>

Contingencies or Contractual Obligations with related parties are under separate disclosure.

## 14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Jurisdiction's primary source of income is from the Alberta Government. The Jurisdiction's ability to continue viable operations is dependent on this funding.

## 15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 15, 2006. It is presented for information purposes only and has not been audited.



## 16. REMUNERATION AND MONETARY INCENTIVES

The Rocky View School Division had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair Trudy Hauser	1.0	\$30,787	\$5,765	\$0			\$9,641
Mareen Munro	1.0	\$22,713	\$2,804	\$0			\$1,593
Wendy Metzger	1.0	\$27,108	\$5,140	\$0			\$5,745
Don Thomas	1.0	\$23,630	\$4,925	\$0			\$2,316
Sylvia Eggerer	0.8	\$17,408	\$2,945	\$0			\$1,498
Bev La Peare	1.0	\$25,411	\$4,345	\$0			\$5,698
Kathleen Fenton	0.1	\$1,777	\$122	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
<b>Subtotal</b>	5.9	\$148,830	\$26,046	\$0			\$26,487
Superintendent (1)	0.3	\$40,000	\$1,382	\$0	\$0	\$0	\$2,403
Superintendent (2)	0.7	\$106,140	\$11,441	\$4,807	\$0	\$0	\$8,242
Secretary/Treasurer (1)	1.0	\$142,987	\$28,188	\$0	\$0	\$0	\$9,484
Secretary/Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Teachers	0.0	\$84,195,008	\$7,312,655	\$0	\$0	\$0	
Non-certificated - Other	0.0	\$18,822,077	\$4,488,244	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$83,455,042</b>	<b>\$11,867,936</b>	<b>\$4,807</b>	<b>\$0</b>	<b>\$0</b>	

## 17.SUBSEQUENT EVENTS

Subsequent to year-end, the Jurisdiction acquired a property for a future school site for \$2,875,000. As at August 31, 2007, a \$500,000 deposit on this land was included in prepaid expenses.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**ROCKY VIEW SCHOOL DIVISION NO.41**

Legal Name of School Jurisdiction

**2651 CHINOOK WINDS DRIVE SW, AIRDRIE AB T4B 0B4**

Mailing Address

**Phone 403-945-4000 Fax 403-945-4001**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Darrell Couture**

Name

**"ORIGINAL SIGNED"**

Signature

**29-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L8  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 1190

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$119,203,619	\$90,851,347	\$13,662,980	\$9,610,316	\$4,249,397	\$809,579
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$1,468,180		\$1,468,180			\$0
(4) Other - Government of Alberta	\$34,356	\$21,558	\$8,216	\$0	\$4,582	\$0
(5) Federal Government and/or First Nations	\$873,009	\$791,713	\$81,296	\$0	\$0	\$0
(6) Other Alberta school authorities	\$218,345	\$26,030	\$0	\$192,315	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$138,045	\$0	\$138,045	\$0	\$0	\$0
(9) Instruction resource fees	\$1,822,924	\$1,822,924				
(10) Transportation fees	\$952,567			\$952,567		
(11) Other sales and services	\$227,012	\$101,950	\$122,080	\$0	\$2,982	\$0
(12) Investment income	\$635,844	\$448,844	\$61,967	\$44,299	\$0	\$80,734
(13) Gifts and donations	\$0	\$0		\$0		\$0
(14) Rentals of facilities	\$384,213	\$134,352	\$248,321	\$0	\$1,540	\$0
(15) Net school generated funds	\$3,249,296	\$3,249,296			\$0	
(16) Gains on disposal of capital assets	\$16,424	\$0	\$16,424	\$0	\$0	\$0
(17) Amortization of capital allocations	\$3,427,798	\$0	\$3,427,798	\$0		\$0
(18) TOTAL REVENUES	\$132,651,632	\$97,446,014	\$19,255,307	\$10,799,497	\$4,258,501	\$890,313
<b>EXPENSES</b>						
(19) Certificated salaries	\$64,341,148	\$63,778,734			\$562,414	\$0
(20) Certificated benefits	\$7,325,458	\$7,276,096			\$49,362	\$0
(21) Non-certificated salaries and wages	\$18,113,894	\$12,066,724	\$4,580,398	\$309,748	\$2,072,555	\$84,471
(22) Non-certificated benefits	\$4,542,478	\$2,984,674	\$1,021,815	\$70,925	\$448,252	\$16,812
(23) SUB - TOTAL	\$95,322,978	\$86,106,228	\$5,602,211	\$380,673	\$3,132,583	\$101,283
(24) Services, contracts & supplies	\$28,297,287	\$7,907,387	\$8,362,948	\$9,669,046	\$1,568,876	\$789,030
(25) Cost recoveries between programs	\$0	\$716,964	\$361,073	\$77,904	(\$1,155,941)	\$0
(26) Net school generated funds	\$3,249,296	\$3,249,296				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$3,427,798	\$0	\$3,427,798	\$0	\$0	\$0
(28) Unsupported	\$920,020	\$236,810	\$189,870	\$0	\$463,340	\$0
(29) Total Amortization	\$4,347,818	\$236,810	\$3,617,668	\$0	\$463,340	\$0
Interest on capital debt						
(30) Supported	\$1,468,180	\$0	\$1,468,180	\$0	\$0	\$0
(31) Unsupported	\$220,566	\$0	\$923	\$0	\$219,643	\$0
(32) Other interest charges	\$1,280	\$1,035	\$143	\$102	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$132,907,405	\$98,217,720	\$19,413,146	\$10,127,725	\$4,258,501	\$890,313
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$255,773)	(\$769,706)	(\$157,839)	\$671,772	\$0	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$79,209,808
Additional Funding for Differential Cost Factors	\$27,066,867
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$5,911,811
Student Health Initiative (SHI)	\$397,382
Alberta Initiative for School Improvement (AISi)	\$1,890,491
SuperNet Services	\$232,181
Children and Youth with Complex Needs	\$808,579
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$187,327
Infrastructure Maintenance Renewal (IMR)	\$2,475,776
Other Funding from Alberta Education (describe) 1to1, 1Xgrant, math	\$352,787
Total Alberta Education Revenues	\$119,203,618

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$9,487,747	\$3,010,041	\$44,088		\$518,377	\$0	\$13,058,253
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$3,618,526	\$2,153,438	\$224,120		\$0		\$6,196,085
ECS Program Unit (PUF)	\$198,323	\$510,738	\$121,884		\$48,587		\$877,533
Severe Disabilities (Gr 1-12)	\$898,527	\$2,735,842	\$334,715		\$0		\$4,058,084
English as a Second Language (ESL)	\$142,565	\$80,048	\$23,407		\$0		\$246,021
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$114,811	\$111,029	\$88,408		\$0		\$312,248
Alberta Initiative for School Improvement	\$1,332,481	\$0	\$388,874	\$0	\$0		\$1,899,355
Student Health Initiative	\$870	\$274,245	\$182,177		\$0		\$457,592
SuperNet Service			\$401,051		\$0		\$401,051
Class Size Initiative	\$6,900,000	\$0	\$0	\$0	\$0		\$6,900,000
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$101,195	\$789,030		\$0		\$890,225
All Other Student Instruction Expenses (ECS - Gr 12)	\$48,972,900	\$6,074,819	\$4,430,385	\$803,288	\$152,000	\$3,487,141	\$64,020,513
TOTAL EXPENSES	\$71,054,830	\$15,051,388	\$7,004,099	\$803,288	\$718,984	\$3,487,141	\$98,217,720

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	42.0	70.5
ECS Program Unit (PUF)	2.2	15.5
Severe Disabilities (Gr 1-12)	11.0	42.0

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$132,987,408
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$5,316,296
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrolment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$4,316,296
Less: 2006/2007 Board and System Administration expenses	-\$4,258,501
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$1,057,795

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$2,712,284																		
<b>Sources of School Generated Funds:</b>																			
	<table border="1"> <thead> <tr> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$2,284,886</td> <td align="right">\$1,820,152</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$2,519,540</td> <td align="right">\$0</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$273,318</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$56,017</td> <td align="right">\$6,741</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td align="right">\$5,133,761</td> <td align="right">\$1,826,893</td> </tr> </tbody> </table>	Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$2,284,886	\$1,820,152	Student fees (Non-Instructional) (Note 1)	\$2,519,540	\$0	Donations and grants to schools	\$273,318	\$0	Other (describe):	\$56,017	\$6,741	<b>Net Additions to SGF</b>	\$5,133,761	\$1,826,893
Gross SGF	Related Expenses	Net SGF																	
Fundraising activities	\$2,284,886	\$1,820,152																	
Student fees (Non-Instructional) (Note 1)	\$2,519,540	\$0																	
Donations and grants to schools	\$273,318	\$0																	
Other (describe):	\$56,017	\$6,741																	
<b>Net Additions to SGF</b>	\$5,133,761	\$1,826,893																	
<b>Net SGF Available</b>	\$6,019,152																		
<b>Uses of Net School Generated Funds:</b>																			
	<table border="1"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$1,870,787</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$1,628</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$563,600</td> </tr> <tr> <td>Equipment</td> <td align="right">\$310,004</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe):</td> <td align="right">\$503,277</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td align="right">\$3,249,296</td> </tr> </tbody> </table>	Extra-curricular activities	\$1,870,787	School site beautification	\$1,628	Field Trips	\$563,600	Equipment	\$310,004	Family literacy and other community resources	\$0	Other (describe):	\$503,277	<b>Total Uses of Net SGF (Note 2)</b>	\$3,249,296				
Extra-curricular activities	\$1,870,787																		
School site beautification	\$1,628																		
Field Trips	\$563,600																		
Equipment	\$310,004																		
Family literacy and other community resources	\$0																		
Other (describe):	\$503,277																		
<b>Total Uses of Net SGF (Note 2)</b>	\$3,249,296																		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$2,769,856																		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**St. Albert Protestant Separate School District No. 6**

Legal Name of School Jurisdiction

**60 Sir Winston Churchill Ave, St. Albert, AB T8N 0G4**

Mailing Address

**Phones: 780-460-3712 Fax: 780-460-7686**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

St. Albert Protestant Separate School District No. 6

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Joan Trettler

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

Barry Wowk

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

Michael R. Brenneis, BComm, CA

Name

**"ORIGINAL SIGNED"**

Signature

**14-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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PricewaterhouseCoopers LLP  
Chartered Accountants  
TD Tower  
10088 102 Avenue NW, Suite 1501  
Edmonton, Alberta  
Canada T5J 3N5  
Telephone +1 (780) 441 6700  
Facsimile +1 (780) 441 6776

November 14, 2007

**Auditors' Report**

**To the Board of Trustees of  
St. Albert Protestant Separate School District No. 6**

We have audited the statement of financial position of **St. Albert Protestant Separate School District No. 6** as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at August 31, 2007 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

The budgeted information in the statement of revenue and expenses has not been subjected to audit procedures and, accordingly, we do not express an opinion on this information.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$9,331,834	\$6,749,261
Accounts receivable (net after allowances)	\$2,114,806	\$2,389,056
Prepaid expenses	\$128,489	\$122,823
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$11,574,929</b>	<b>\$9,261,140</b>
School generated assets	\$617,612	\$499,709
Trust assets	\$190,233	\$165,093
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,601,571	\$1,601,571
Buildings	\$63,601,751	
Less: accumulated amortization	(\$35,792,759)	\$28,644,110
Equipment	\$2,341,850	
Less: accumulated amortization	(\$1,593,776)	\$748,074
Vehicles	\$453,137	
Less: accumulated amortization	(\$251,615)	\$201,522
<b>Total capital assets</b>	<b>\$30,360,159</b>	<b>\$31,298,893</b>
<b>TOTAL ASSETS</b>	<b>\$42,742,933</b>	<b>\$41,224,835</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$3,377,862	\$3,334,614
Deferred revenue	\$1,288,231	\$615,671
Deferred capital allocations	\$0	\$46,744
Current portion of all long term debt	\$981,921	\$1,122,904
<b>Total current liabilities</b>	<b>\$5,648,014</b>	<b>\$5,119,933</b>
School generated liabilities	\$617,612	\$499,709
Trust liabilities	\$190,233	\$165,093
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$7,033,530	\$8,090,836
Less: Current portion of supported debt	(\$981,921)	(\$1,057,304)
Unsupported: Debentures and Capital Loans	\$0	\$65,600
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	(\$65,600)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$19,035,845	\$19,165,077
<b>Total long term liabilities</b>	<b>\$25,895,299</b>	<b>\$26,863,411</b>
<b>TOTAL LIABILITIES</b>	<b>\$31,543,313</b>	<b>\$31,983,344</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$635,097	\$1,136,139
Operating Reserves	\$5,861,710	\$3,726,856
Accumulated Operating Surplus (Deficit)	\$6,496,807	\$4,862,995
Investment in capital assets	\$4,288,795	\$3,977,382
Capital Reserves	\$414,018	\$401,114
<b>Total Capital Funds</b>	<b>\$4,702,813</b>	<b>\$4,378,486</b>
<b>Total net assets</b>	<b>\$11,199,620</b>	<b>\$9,241,491</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$42,742,933</b>	<b>\$41,224,835</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$50,448,371	\$47,249,136	\$46,874,739
Federal Government and/or First Nations	\$110,156	\$0	\$184,529
Other Alberta school authorities	\$99,029	\$40,000	\$110,289
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$561	\$0	\$8,384
Instruction resource fees	\$688,206	\$557,300	\$657,329
Transportation fees	\$394,402	\$392,135	\$314,222
Other sales and services	\$1,273,379	\$620,034	\$1,236,786
Investment income	\$389,181	\$100,000	\$272,438
Gifts and donations	\$182,415	\$5,500	\$70,260
Rentals of facilities	\$22,738	\$20,000	\$31,809
Net school generated funds	\$1,239,718	\$70,000	\$1,071,206
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,734,341	\$1,681,805	\$1,683,340
<b>Total Revenues</b>	<b>\$56,582,497</b>	<b>\$50,735,910</b>	<b>\$52,515,331</b>
<b>EXPENSES</b>			
Certificated salaries	\$27,916,493	\$27,379,431	\$27,226,819
Certificated benefits	\$3,353,343	\$3,351,605	\$3,239,860
Non-certificated salaries and wages	\$7,639,025	\$7,214,623	\$7,085,456
Non-certificated benefits	\$1,760,079	\$1,763,472	\$1,662,455
Services, contracts and supplies	\$9,873,644	\$9,264,685	\$8,583,378
Net school generated funds	\$1,239,718	\$70,000	\$1,071,206
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,734,341	\$1,681,805	\$1,683,340
Unsupported	\$353,746	\$354,427	\$494,863
Total Amortization of capital assets	\$2,088,087	\$2,036,232	\$2,178,203
Interest on capital debt			
Supported	\$751,848	\$803,519	\$863,136
Unsupported	\$2,131	\$4,136	\$11,002
Total Interest on capital debt	\$753,979	\$807,655	\$874,138
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$54,624,368</b>	<b>\$51,887,703</b>	<b>\$51,921,515</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,958,129	(\$1,151,793)	\$593,816
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,958,129</b>	<b>(\$1,151,793)</b>	<b>\$593,816</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,958,129	\$593,816
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,734,341)	(\$1,683,340)
Total amortization expense	\$2,088,087	\$2,178,203
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$274,450	\$1,350,813
Prepays and other current assets	(\$5,666)	\$47,224
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$43,248	(\$1,348,708)
Deferred revenue	\$672,560	(\$477,301)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$3,296,467	\$660,707
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$907,575)	(\$3,283,380)
Equipment	(\$184,536)	(\$364,293)
Vehicles	(\$57,242)	(\$47,019)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,149,353)	(\$3,694,692)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$501,060	\$3,086,581
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,122,906)	(\$1,216,004)
Add back: supported portion	\$1,057,305	\$1,084,904
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$435,459	\$2,955,481
Net sources (uses) of cash during year	\$2,582,573	(\$78,504)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$6,749,261	\$6,827,765
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$9,331,834	\$6,749,261

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2007

(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$9,241,491	\$3,977,382	\$1,136,139	\$3,726,856	\$401,114
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$9,241,491	\$3,977,382	\$1,136,139	\$3,726,856	\$401,114
Excess(def) of revenue over expenses	\$1,958,129		\$1,958,129		
Board funded capital transactions		\$599,559	(\$599,559)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,088,087)	\$2,088,087		
Amortization of capital allocations		\$1,734,341	(\$1,734,341)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$65,600	(\$65,600)		
Net transfers to operating reserves			(\$4,477,030)	\$4,477,030	
Net transfers from operating reserves			\$2,342,176	(\$2,342,176)	
Net transfers to capital reserves			(\$60,000)		\$60,000
Net transfers from capital reserves			\$47,096		(\$47,096)
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$11,199,620	\$4,288,795	\$635,097	\$5,861,710	\$414,018

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$46,744	\$19,165,077
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$46,744	\$19,165,077
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$482,147	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$18,913	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,057,305
Expended capital allocations - current year	(\$547,804)	\$547,804
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,734,341
Balance at August 31, 2007	\$0	\$19,035,845

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

# **St. Albert Protestant Separate School District No. 6**

## **Notes to Financial Statements**

**August 31, 2007**

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### **1 Authority and purpose**

The District delivers primary and secondary education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The District receives block allocations for instruction and support under regulation 77/2003. The regulation limits the funding and expenditures for administration. It permits the District, within specified limits, to reallocate funding between the instruction and support blocks.

### **2 Summary of significant accounting policies**

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### **a) Revenue recognition**

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations, which are amortized to revenue on the same basis as the property and equipment asset acquired by the grant.

Unrestricted donations are recognized as revenue when received or receivable. Donations in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.



# St. Albert Protestant Separate School District No. 6

## Notes to Financial Statements

August 31, 2007

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b) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following annual rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Property and equipment are amortized in the year following acquisition.

Only property and equipment with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) Amortization

Amortization expense is reflected as a period expense on the statement of revenues and expenses and results in a reduction to operating reserves and unrestricted net assets. However, an amount equal to the amortization of supported assets is recorded as revenue. Amortization expense results in a transfer from investment in capital assets to unrestricted net assets on the statement of changes in net assets. The transfer from investment in capital assets to unrestricted net assets offsets the effect of the amortization expense of the period resulting in no change to the accumulated surplus.

d) School generated funds

School generated funds are funds raised in the community for activities that come under the control and responsibility of school management. School generated funds are included in the financial statements of the District because the accountability and control of these funds rests with the school officials or their appointee(s).

e) Vacation pay

Vacation pay is recorded in the period in which it is earned.

f) Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, St. Albert Protestant Separate School District No. 6 does not make pension contributions for certificated staff.



# **St. Albert Protestant Separate School District No. 6**

## **Notes to Financial Statements**

**August 31, 2007**

---

The District participates in the multi-employer pension plan, Local Authorities Pension Plan. The District's expense for this plan is equivalent to the annual contributions of \$458,790 for the year ended December 31, 2006 (2005 – \$405,398). At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 – \$863,558,000 deficiency).

**g) Contributed services**

Volunteers assist schools operated by the school district in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

**h) Capital debt**

Capital debt interest is recorded as an expenditure in the financial statements. Grants are receivable from Alberta Treasury for the interest expense and principal payments made on supported debt. The grant amounts received or receivable for the interest expense have been recorded as revenue in the financial statements. The total principal repayments on supported debt have been recorded to the debenture debt liability and equity in capital assets.

**i) Financial instruments**

The District's financial instruments consist of cash, trust assets, accounts receivable, accounts payable and accrued liabilities, trust liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

### **3 Asset Retirement Obligation**

During the year, the Board applied the interpretations of the Canadian Institute of Chartered Accountants Emerging Issues Committee abstract 159 "Conditional Asset Retirement Obligations" (EIC-159). Under EIC-159, a liability should be recognized if the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The Board has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be covered in the future by funding through the Alberta Government. The Board believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified and information is not available to apply an expected present value technique.

# St. Albert Protestant Separate School District No. 6

## Notes to Financial Statements

August 31, 2007

### 4 Accounts receivable

	2007 \$	2006 \$
Province of Alberta	696,850	977,204
Federal Government	131,683	135,623
Alberta municipalities	1,170,804	1,158,424
Other	115,269	117,805
	<u>2,114,606</u>	<u>2,389,056</u>

### 5 Trust assets/trust liabilities

Trust assets and liabilities are accounts which the District is not entitled to, but which the District manages on behalf of others.

	2007 \$	2006 \$
Deferred salary leave plan	183,791	153,005
Other	6,442	12,088
	<u>190,233</u>	<u>165,093</u>

### 6 Property and equipment

	2007		2006	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	1,601,571	-	1,601,571	1,601,571
Buildings	63,601,751	35,792,759	27,808,992	28,644,110
Equipment	2,341,850	1,593,776	748,074	878,830
Vehicles	453,137	251,615	201,522	174,382
	<u>67,998,309</u>	<u>37,638,150</u>	<u>30,360,159</u>	<u>31,298,893</u>

## St. Albert Protestant Separate School District No. 6

### Notes to Financial Statements

August 31, 2007

#### 7 Accounts payable and accrued liabilities

	2007 \$	2006 \$
Trade payables and accrued liabilities	1,556,229	1,735,500
Province of Alberta	1,821,633	1,599,114
	<u>3,377,862</u>	<u>3,334,614</u>

#### 8 Deferred revenue

	2007 \$	2006 \$
Infrastructure Maintenance and Renewal (formerly Infrastructure Maintenance Program)	612,807	-
Deferred Infrastructure – Portable move	-	20,942
Alberta Initiative for School Improvement	75,095	-
Transportation fees	360,225	323,775
Tuition	160,110	122,333
Other	79,994	148,621
	<u>1,288,231</u>	<u>615,671</u>

#### 9 Deferred capital allocations and unamortized capital allocations

The initial receipt of funds specifically designated for the funding of capital assets are recorded to deferred capital allocations. As expenditures are incurred for the related asset, the appropriate proportion of deferred capital allocation funds are transferred to unamortized capital allocations.

When the capital asset is complete the applicable unamortized capital allocation amount is amortized as revenue over the same period of time that the capital asset is amortized to expense.

The deferred capital allocations balance of \$nil (2006 – \$46,744) results from unexpended school modernization funds received from the province but not expended at August 31, 2007.

# St. Albert Protestant Separate School District No. 6

## Notes to Financial Statements

August 31, 2007

### 10 Long-term debt

	2007 \$	2006 \$
Debentures outstanding at August 31, 2007 have interest rates which vary between 7.625% to 12.0%. The terms of the debentures are 25 years with payments of principal and interest made annually	7,033,530	8,156,436
Less: Current portion	981,921	1,122,904
	<u>6,051,609</u>	<u>7,033,532</u>

\$7,033,530 in debentures is supported by Alberta Finance.

The principal repayments in each of the next five fiscal years and beyond are as follows:

	Supported \$	Unsupported \$	Total \$
2008	981,921	-	981,921
2009	922,811	-	922,811
2010	922,811	-	922,811
2011	855,011	-	855,011
2012	824,011	-	824,011
Thereafter	<u>2,526,965</u>	<u>-</u>	<u>2,526,965</u>
	<u>7,033,530</u>	<u>-</u>	<u>7,033,530</u>

### 11 Internally restricted net assets

Reserves created by the authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The capital reserves are established and expended in accordance with the terms and conditions established by the Board.

### 12 Related party transactions and economic dependence

Various Government of Alberta departments are involved with administering education, district facilities, and the various school boards in the province and are considered to be related parties. The District's primary source of revenue is from the Alberta Government. The District's ability to continue viable operations is dependant on this funding.

# St. Albert Protestant Separate School District No. 6

## Notes to Financial Statements

August 31, 2007

	Balances		Transactions	
	Assets \$	Liabilities \$	Revenue \$	Expenses \$
Government of Alberta				
Education	350,948	1,218,126	49,668,656	170,237
Infrastructure and Transportation	-	-	-	-
Finance	338,101	338,101	751,848	751,848
Health and Wellness	-	-	-	-
Human Resources /Employment	-	-	-	-
Other Government of Alberta Departments	-	-	-	-
Other				
Health Authorities	-	-	-	-
Post-secondary Institutes	-	-	-	-
Other Alberta School Jurisdictions	-	-	67,237	161,856
Other Related Parties	-	-	-	-
Total 2006 – 2007	689,049	1,556,227	50,487,741	1,083,941
Total 2005 – 2006	969,404	1,598,938	46,983,999	1,170,127

### 13 Urban School Insurance Consortium

The District is a member of the Urban School Insurance Consortium, an organization which facilitates the placement of property and liability insurance coverage for thirteen districts throughout the province of Alberta. Premium rebates are received from the insurer's favourable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The District's share of the accumulated consortium funds as at August 31, 2007 was \$189,195 (2006 – \$203,165). This amount has not been recognized in the District's financial statements, as the District has not realized the revenue.

# St. Albert Protestant Separate School District No. 6

## Notes to Financial Statements

August 31, 2007

### 14 Remuneration and monetary incentives

The District has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

	FTE's	Remuneration \$	Benefits \$	Total \$	Expenses \$
Board Chair: Morag Pansegrau	1.0	21,951	3,003	24,954	5,545
Trustee: Joan Alexander	1.0	19,180	1,019	20,199	3,101
Trustee: Gerry Martins	1.0	18,352	2,442	20,794	2,295
Trustee: Joan Trettler	1.0	18,635	449	19,084	5,519
Trustee: Ernie Wynchuk	1.0	17,588	2,442	20,030	4,950
Subtotal		95,706	9,355	105,061	21,410
Superintendent: Barry Wowk	1.0	134,160	9,551	143,711	2,927
Secretary Treasurer: Michael Brenneis	1.0	117,834	21,578	139,412	2,559
Certificated salaries	364.0	27,782,333	3,343,792	31,126,125	-
Uncertificated salaries and wages	197.2	7,425,485	1,729,146	9,154,631	-
		35,555,518	5,113,422	40,668,940	26,896

### 15 Budget

The budget was prepared by district management with the Board of Trustees' approval given on May 24, 2006. It is presented for information purposes and has not been audited.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**St. Albert Protestant Separate School District No. 6**

Legal Name of School Jurisdiction

**60 Sir Winston Churchill Ave, St. Albert, AB T8B 0G4**

Mailing Address

**Phone: 780-460-3712 Fax: 780-460-7686**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Michael R. Brenneis, BComm, CA**

Name

**"ORIGINAL SIGNED"**

Signature

**14-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: [Cindy.Jerry@gov.ab.ca](mailto:Cindy.Jerry@gov.ab.ca)  
PHONE: (780) 427-7782 FAX: (780) 422-4996

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**SCHEDULE A**

School Jurisdiction Code

7020

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$49,868,856	\$40,725,291	\$6,031,299	\$1,103,148	\$1,665,082	\$143,865
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$751,848		\$751,848			\$0
(4) Other - Government of Alberta	\$27,867	\$12,624	\$10,059	\$0	\$0	\$5,184
(5) Federal Government and/or First Nations	\$110,156	\$110,156	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$99,029	\$67,135	\$0	\$0	\$294	\$31,600
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$561	\$561	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$688,206	\$688,206				
(10) Transportation fees	\$394,402			\$394,402		
(11) Other sales and services	\$1,273,379	\$677,239	\$17,006	\$0	\$5,205	\$573,928
(12) Investment income	\$389,181	\$0	\$16,188	\$0	\$372,993	\$0
(13) Gifts and donations	\$182,415	\$182,415	\$0	\$0		\$0
(14) Rentals of facilities	\$22,738	\$18,600	\$4,138	\$0	\$0	\$0
(15) Net school generated funds	\$1,239,718	\$1,239,718			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,734,341	\$0	\$1,734,341	\$0		\$0
(18) TOTAL REVENUES	\$58,582,497	\$43,721,945	\$8,564,872	\$1,497,551	\$2,043,554	\$754,575
<b>EXPENSES</b>						
(19) Certificated salaries	\$27,918,493	\$27,443,823			\$307,471	\$165,199
(20) Certificated benefits	\$3,353,343	\$3,314,933			\$20,291	\$18,118
(21) Non-certificated salaries and wages	\$7,639,025	\$4,894,160	\$1,840,463	\$63,805	\$752,066	\$88,531
(22) Non-certificated benefits	\$1,780,079	\$1,167,167	\$403,881	\$12,468	\$151,100	\$25,463
(23) SUB - TOTAL	\$40,688,940	\$36,820,083	\$2,244,344	\$76,273	\$1,230,928	\$297,312
(24) Services, contracts & supplies	\$9,873,844	\$4,729,703	\$3,045,559	\$1,353,957	\$449,774	\$294,651
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$1,239,718	\$1,239,718				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,734,341	\$0	\$1,734,341	\$0	\$0	\$0
(28) Unsupported	\$353,746	\$195,723	\$111,138	\$0	\$46,885	\$0
(29) Total Amortization	\$2,088,087	\$195,723	\$1,845,479	\$0	\$46,885	\$0
Interest on capital debt						
(30) Supported	\$751,848	\$0	\$751,848	\$0	\$0	\$0
(31) Unsupported	\$2,131	\$0	\$2,131	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$54,624,368	\$42,985,227	\$7,889,361	\$1,430,230	\$1,727,587	\$591,963
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,958,129	\$736,718	\$675,511	\$67,321	\$315,967	\$162,612

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$35,736,731
Additional Funding for Differential Cost Factors	\$9,432,371
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,940,191
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISI)	\$757,993
SuperNet Services	\$92,700
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$65,624
Infrastructure Maintenance Renewal (IMR)	\$1,373,125
Other Funding from Alberta Education (describe): Late FI, Video Conferencing, Sub cost r	\$266,821
<b>Total Alberta Education Revenues</b>	<b>\$49,968,658</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						TOTAL EXPENSES
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	
School Administration & Instruction Support	\$3,389,423	\$2,552,108	\$625,277		\$0	\$23,941	\$6,569,749
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$2,387,886	\$864,350	\$202,463		\$0		\$3,454,699
ECS Program Unit (PUF)	\$231,447	\$334,506	\$275,571		\$0		\$841,524
Severe Disabilities (Gr 1-12)	\$471,121	\$1,889,089	\$298,278		\$0		\$2,548,488
English as a Second Language (ESL)	\$84,422	\$0	\$5,000		\$0		\$89,422
French Language & Francisation	\$2,263,003	\$0	\$18,191		\$0		\$2,281,194
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$150,437	\$0	\$5,000		\$0		\$155,437
Alberta Initiative for School Improvement	\$578,089	\$15,131	\$181,265	\$3,848	\$0		\$738,111
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$118,189		\$0		\$118,189
Class Size Initiative	\$1,940,191	\$0	\$0	\$0	\$0		\$1,940,191
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$18,285,757	\$426,143	\$2,763,868	\$322,877	\$0	\$1,411,500	\$24,230,245
<b>TOTAL EXPENSES</b>	<b>\$30,758,758</b>	<b>\$8,081,327</b>	<b>\$4,403,080</b>	<b>\$328,823</b>	<b>\$0</b>	<b>\$1,435,441</b>	<b>\$42,085,227</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	29.9	22.2
ECS Program Unit (PUF)	2.8	8.9
Severe Disabilities (Gr 1-12)	8.0	51.4

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$54,824,388
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,184,978
<b>Considerations for Charter Schools and Small School Boards</b>	
If Charter School, enter \$58,386	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,184,978
Less: 2006/2007 Board and System Administration expenses	-\$1,727,587
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$457,388

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$499,709																								
<b>Sources of School Generated Funds:</b>																									
	<table border="1"> <thead> <tr> <th></th> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$630,752</td> <td align="right">\$483,252</td> <td align="right">\$147,500</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$1,274,123</td> <td align="right">\$145,159</td> <td align="right">\$1,128,964</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$43,991</td> <td align="right">\$236</td> <td align="right">\$43,755</td> </tr> <tr> <td>Other (describe) Bank Interest</td> <td align="right">\$43,993</td> <td align="right">\$6,591</td> <td align="right">\$37,402</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td align="right">\$1,962,859</td> <td align="right">\$635,238</td> <td align="right">\$1,357,621</td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$630,752	\$483,252	\$147,500	Student fees (Non-Instructional) (Note 1)	\$1,274,123	\$145,159	\$1,128,964	Donations and grants to schools	\$43,991	\$236	\$43,755	Other (describe) Bank Interest	\$43,993	\$6,591	\$37,402	<b>Net Additions to SGF</b>	\$1,962,859	\$635,238	\$1,357,621
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<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$617,612																								
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>																									



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**St. Paul Education Regional Division No. 1**

Legal Name of School Jurisdiction

**4901-47 Street St. Paul, Alberta T0A 3A3**

Mailing Address

**Phone: (780) 645-3323 Fax: (780) 645-5789**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

St. Paul Education Regional Division No. 1

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Darrell Younghans**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Douglas Yeo**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Jean Champagne**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10165-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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AUDITORS' REPORT

To the Board of Trustees  
St. Paul Education Regional Division No. 1

We have audited the statement of financial position of the St. Paul Education Regional Division No. 1 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Vegreville, Alberta  
November 7, 2007

*Wilde & Company*  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$5,812,327	\$4,580,935
Accounts receivable (net after allowances)	\$13,372,926	\$1,442,855
Prepaid expenses	\$403,064	\$277,082
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$19,588,347</b>	<b>\$6,280,872</b>
School generated assets	\$542,856	\$434,189
Trust assets	\$31,905	\$34,486
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets	\$128,374	\$128,374
Land		
Buildings	\$32,452,447	
Less: accumulated amortization	(\$16,476,689)	\$15,975,758
Equipment	\$2,007,059	
Less: accumulated amortization	(\$1,552,194)	\$454,865
Vehicles	\$2,207,794	
Less: accumulated amortization	(\$1,338,757)	\$869,037
<b>Total capital assets</b>	<b>\$17,428,034</b>	<b>\$18,029,312</b>
<b>TOTAL ASSETS</b>	<b>\$37,591,142</b>	<b>\$24,778,859</b>
<b>LIABILITIES</b>		
Current liabilities	\$0	\$0
Bank indebtedness	\$1,890,953	\$1,775,778
Accounts payable and accrued liabilities	\$961,197	\$381,892
Deferred revenue	\$10,806,164	\$41,357
Deferred capital allocations	\$478,067	\$500,073
Current portion of all long term debt	\$14,142,381	\$2,699,100
<b>Total current liabilities</b>	<b>\$542,856</b>	<b>\$434,189</b>
School generated liabilities	\$31,905	\$34,486
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt	\$2,279,419	\$2,779,492
Supported: Debentures and other supported debt		
Less: Current portion of supported debt	(\$478,067)	(\$500,073)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$13,368,119	\$13,286,555
Unamortized capital allocations	\$15,746,232	\$16,036,649
<b>Total long term liabilities</b>	<b>\$29,888,613</b>	<b>\$18,735,749</b>
<b>TOTAL LIABILITIES</b>	<b>\$29,888,613</b>	<b>\$18,735,749</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$632,730	\$453,638
Operating Reserves	\$5,185,897	\$3,524,801
Accumulated Operating Surplus (Deficit)	\$5,818,627	\$3,978,439
Investment in capital assets	\$1,780,493	\$1,961,262
Capital Reserves	\$103,409	\$103,409
<b>Total Capital Funds</b>	<b>\$13,863,902</b>	<b>\$10,943,671</b>
<b>Total net assets</b>	<b>\$7,702,529</b>	<b>\$6,043,110</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$37,591,142</b>	<b>\$24,778,859</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note) Restated	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$30,420,674	\$30,938,406	\$27,816,195
Federal Government and/or First Nations	\$9,318,958	\$8,737,426	\$8,649,823
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary regulations)	\$0	\$0	\$0
Instruction resource fees	\$264,502	\$239,467	\$214,528
Transportation fees	\$42,984	\$40,000	\$42,364
Other sales and services	\$344,682	\$156,170	\$299,894
Investment income	\$335,019	\$220,000	\$238,128
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$77,033	\$72,570	\$68,104
Net school generated funds	\$715,099	\$520,367	\$588,872
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$806,700	\$730,000	\$721,356
<b>Total Revenues</b>	<b>\$42,325,631</b>	<b>\$41,654,406</b>	<b>\$38,639,264</b>
<b>EXPENSES</b>			
Certificated salaries	\$19,234,079	\$19,282,263	\$18,564,525
Certificated benefits	\$2,238,548	\$2,092,691	\$2,045,891
Non-certificated salaries and wages	\$7,818,999	\$7,742,406	\$7,239,320
Non-certificated benefits	\$1,647,648	\$1,538,989	\$1,506,243
Services, contracts and supplies	\$7,573,032	\$8,636,394	\$7,116,370
Net school generated funds	\$715,099	\$520,367	\$588,872
<b>Capital and debt services</b>			
<i>Amortization of capital assets</i>			
Supported	\$806,700	\$730,000	\$721,356
Unsupported	\$348,695	\$415,300	\$365,773
<b>Total Amortization of capital assets</b>	<b>\$1,155,395</b>	<b>\$1,145,300</b>	<b>\$1,087,129</b>
<i>Interest on capital debt</i>			
Supported	\$263,966	\$290,411	\$318,788
Unsupported	\$0	\$0	\$0
<b>Total interest on capital debt</b>	<b>\$263,966</b>	<b>\$290,411</b>	<b>\$318,788</b>
Other interest charges	\$4,191	\$2,300	\$2,263
Losses on disposal of capital assets	\$15,255	\$0	\$44,170
<b>Total Expenses</b>	<b>\$40,666,212</b>	<b>\$41,251,121</b>	<b>\$38,513,571</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$1,659,419	\$403,285	\$125,693
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,659,419</b>	<b>\$403,285</b>	<b>\$125,693</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,659,419	\$125,693
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$806,700)	(\$721,356)
Total amortization expense	\$1,155,395	\$1,087,129
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$15,255	\$44,170
Changes in accrued accounts:		
Accounts receivable	(\$11,930,071)	\$2,102,066
Prepays and other current assets	(\$126,012)	(\$96,955)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$123,175	(\$597,066)
Deferred revenue	\$579,305	(\$149,193)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$9,330,234)	\$1,794,488
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$322,735)	(\$579,332)
Equipment	(\$227,598)	(\$171,772)
Vehicles	(\$19,039)	(\$258,658)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)		\$259,215
Total sources (uses) of cash from Investing activities	(\$569,372)	(\$750,547)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$11,150,998	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$500,073)	(\$519,240)
Add back: supported portion	\$500,073	\$519,240
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$11,150,998	\$0
Net sources (uses) of cash during year	\$1,251,392	\$1,043,941
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$4,560,935	\$3,516,994
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$5,812,327	\$4,560,935

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(In dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$6,043,110	\$1,961,262	\$453,638	\$3,524,801	\$103,409
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$6,043,110	\$1,961,262	\$453,638	\$3,524,801	\$103,409
Excess(def) of revenue over expenses	\$1,659,419		\$1,659,419		
Board funded capital transactions		\$183,181	(\$183,181)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,155,395)	\$1,155,395		
Amortization of capital allocations		\$806,700	(\$806,700)		
Disposal of unsupported capital assets	\$0	(\$15,255)	\$15,255		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$1,661,096)	\$1,661,096	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$7,702,529	\$1,780,493	\$632,730	\$5,165,897	\$103,409

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$41,357	\$13,288,555
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$41,357	\$13,288,555
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$11,150,998	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$500,073
Expended capital allocations - current year	(\$386,191)	\$386,191
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$806,700
Balance at August 31, 2007	\$10,806,164	\$13,368,119

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended August 31, 2007

**1. AUTHORITY AND PURPOSE**

The school jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

**a) Revenue Recognition**

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

**b) Capital Assets**

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings - 2.5 to 10%

Equipment - 20%

Vehicles - 10 to 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized over the same period as the amortization expense.

**c) School Generated Funds**

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trips, etc.).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

f) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the St. Paul Education Regional Division No. 1 does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$209,605 for the year ended August 31, 2007 (\$183,758 - 2006). At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) Financial Instruments

These consist of cash and short term investments, marketable investments, accounts receivable and accounts payable, accrued liabilities and long term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Investments

Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

<b>3. ACCOUNTS RECEIVABLE</b>	<b>2007</b>		<b>2006</b>	
Provincial government grants	\$	397,180	\$	631,382
Federal government grants		2,337,836		31,432
GST recoverable		196,149		178,562
Other accounts receivable		102,922		601,479
	\$	3,034,087	\$	1,442,855

<b>4. CAPITAL ASSETS</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value 2007</b>	<b>Net Book Value 2006</b>
Land	\$ 128,374	\$ -	\$ 128,374	\$ 128,374
Buildings	32,452,447	16,476,689	15,975,758	16,488,080
Equipment	2,007,059	1,552,194	454,865	349,043
Vehicles	2,207,794	1,338,757	869,037	1,063,815
	\$ 36,795,674	\$ 19,367,640	\$ 17,428,034	\$ 18,029,312

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2007</b>		<b>2006</b>	
Province of Alberta	\$	142,239	\$	211,336
Federal Government		360,794		346,729
Other trade payables and accrued liabilities		1,395,920		1,217,713
	\$	1,898,953	\$	1,775,778

**6. DEFERRED REVENUE**

	<b>2007</b>		<b>2006</b>	
IMR grants	\$	806,351	\$	259,527
AISI grants		61,838		-
Other grants		93,008		122,365
	\$	961,197	\$	381,892



**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**7. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not yet been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

	Opening \$	Capital Funds received or receivable \$	Transfer to unamortized capital allocations \$	Closing \$
Two Hills Modernization - interest earned	41,357	-	6,451	34,906
St. Paul RHS - CTS expansion	-	757,782	325,363	432,419
Glen Avon	-	10,393,216	54,377	10,338,839
Available for future projects	41,357	11,150,998	386,191	10,806,164

**8. UNAMORTIZED CAPITAL ALLOCATIONS**

**2007**

**2006**

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully supported debenture principal repayments.

Consisting of:

Opening balance	\$	13,288,555	\$	13,569,199
Transfer from deferred capital allocations - Note 7		386,191		152,433
Supported debenture and capital loan principal repayments		500,073		519,240
Less loss on disposal of supported asset		-		(230,961)
Less capital allocation for amortization		(806,700)		(721,356)
	\$	13,368,119	\$	13,288,555



**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**9. LONG TERM DEBT**

**a) Debenture Debt - Supported**

The debenture debt bears interest at rates varying between 7.875% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	<b>2007</b>		<b>2006</b>	
Debentures	\$	2,279,419	\$	2,779,492
Less current portion of debt		476,067		500,073
Long term debt	\$	1,803,352	\$	2,279,419

School Year	Principal	Interest	Total
2007-2008	\$ 476,067	\$ 237,560	\$ 713,627
2008-2009	458,138	187,201	645,339
2009-2010	395,878	138,853	534,731
2010-2011	322,016	97,084	419,100
2011-2012	225,060	63,566	288,626
2012 to maturity	402,260	110,342	512,602
	\$ 2,279,419	\$ 834,606	\$ 3,114,025

**b) Capital Leases - Unsupported**

Currently there are no capital leases held by the jurisdiction.

**10. OPERATING RESERVES**

	Opening	Transfers from Reserves	Transfers to Reserves	Closing
Instruction	\$ 105,000	\$ 195,000	\$ -	\$ 300,000
Administration	1,135,285	763,408	-	1,898,693
Election	20,000	-	-	20,000
Operations/Maintenance	1,750,307	483,952	-	2,234,259
BQRP	50,000	-	-	50,000
Transportation	464,209	218,736	-	682,945
	\$ 3,524,801	\$ 1,661,096	\$ -	\$ 5,185,897

**11. CAPITAL RESERVES**

	Opening	Transfers from Reserves	Transfers to Reserves	Closing
Equipment	\$ 76,527	\$ -	\$ -	\$ 76,527
Vehicles	26,882	-	-	26,882
Balance, end of period	\$ 103,409	\$ -	\$ -	\$ 103,409

12. SCHOOL GENERATED FUNDS

	2007	2006
Balance, beginning of year	\$ 434,189	\$ 446,784
Source of school generated funds (SGF)		
SGF for the year	1,410,769	1,136,667
Less cost of generating SGF	(661,126)	(625,424)
Less items capitalized at the district level	-	-
Donations received	74,123	65,034
Net SGF additions for the year	823,766	576,277
Net SGF available for discretionary spending	1,257,955	1,023,061
SGF expended for discretionary purposes	(715,099)	(588,872)
Balance, end of year	\$ 542,856	\$ 434,189

13. RELATED PARTY TRANSACTIONS

Effective 2005-06, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of the school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2006/07	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta				
Education	\$ 215,929	\$ 889,354	\$ 30,096,117	\$ -
Finance	121,074	121,074	263,966	263,966
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta depts.	5,800	-	60,591	-
Capital funding	10,393,216	-	-	-
Other				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Other related parties	-	-	-	-
TOTAL 2006-07	\$ 10,736,019	\$ 1,010,428	\$ 30,420,674	\$ 263,966
TOTAL 2005-06	\$ 631,382	\$ 470,863	\$ 27,816,195	\$ 318,788

**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**14. DISCLOSURE OF SALARY AND BENEFITS**

	FTE	Salaries & Wages	Benefits & Allowances	Total	Reimbursed Expenses
Darrell Youngmans, Chairman	1	\$ 15,279	\$ 4,515	\$ 19,794	\$ 6,928
Other Board Members:					
Rhea Looy	1	14,041	3,403	17,444	5,551
Terry LaBoucane	1	14,364	-	14,364	1,624
Ron Rudkowsky	1	14,403	2,183	16,586	9,642
Doug Millar	1	15,848	4,500	20,348	8,494
Deb Pederson	1	16,058	4,532	20,590	10,358
Steve Upham	1	14,812	4,493	19,305	9,215
Doug Yeo (Superintendent)	1	121,792	15,827	137,619	13,873
Jean Champagne (Sec/Treas)	1	99,379	23,894	123,273	3,203
Salaries - Certificated	266.7	19,112,287	2,222,721	21,335,008	
Salaries - Uncertificated	312.0	7,614,815	1,600,128	9,214,943	
		\$ 27,053,078	\$ 3,886,196	\$ 30,939,274	

**15. CONTINGENCIES**

Contingent Assets

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of the equity is subject to liability claims.

Contingent Liabilities

The jurisdiction is a member of the Alberta School Board Insurance Exchange (ASBIE). Under the terms of membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**16. INDEBTEDNESS**

**a) Line of Credit**

The jurisdiction has negotiated a line of credit in the amount of \$2,500,000 that bears interest at bank prime less 1/2%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

**b) Credit Card**

The jurisdiction has approved a combined credit card charge limit of \$160,000 through the U.S. Bank Canada. The credit cards are assigned to various individuals throughout the school jurisdiction and have varying credit limits. The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2007 was nil.

**ST. PAUL EDUCATION REGIONAL DIVISION NO. 1**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended August 31, 2007

**17. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only. These financial statements contain the amended budget details as approved by the Board.

**18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

St. Paul Education Regional Division No. 1's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**19. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2007 presentation.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**St. Paul Education Regional Division No. 1**

Legal Name of School Jurisdiction

**4901-47 Street, St. Paul, AB T0A 3A3**

Mailing Address

**Phone: (780) 645-3323 Fax: (780) 645-5789**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Jean Champagne

Name

"ORIGINAL SIGNED"

Signature

**28-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L8  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 2185

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$30,096,117	\$21,520,624	\$4,152,949	\$2,753,842	\$1,668,702	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$263,966		\$263,966			\$0
(4) Other - Government of Alberta	\$60,591	\$60,591	\$0	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$9,318,958	\$7,842,798	\$1,067,949	\$27,964	\$380,247	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$264,502	\$264,502				
(10) Transportation fees	\$42,984			\$42,984		
(11) Other sales and services	\$344,662	\$266,827	\$45,882	\$21,325	\$8,628	\$0
(12) Investment income	\$335,019	\$244,138	\$46,978	\$23,640	\$20,263	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$77,033	\$0	\$54,302	\$22,731	\$0	\$0
(15) Net school generated funds	\$715,099	\$715,099			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$806,700	\$17,683	\$789,017	\$0		\$0
(18) TOTAL REVENUES	\$42,325,631	\$30,934,262	\$6,421,043	\$2,892,486	\$2,077,840	\$0
<b>EXPENSES</b>						
(19) Certificated salaries	\$19,234,079	\$18,769,321			\$464,758	\$0
(20) Certificated benefits	\$2,238,548	\$2,182,203			\$56,345	\$0
(21) Non-certificated salaries and wages	\$7,818,999	\$5,249,535	\$1,855,715	\$408,210	\$505,539	\$0
(22) Non-certificated benefits	\$1,647,648	\$1,152,848	\$330,570	\$52,582	\$111,648	\$0
(23) SUB - TOTAL	\$30,939,274	\$27,353,907	\$1,986,285	\$460,792	\$1,138,290	\$0
(24) Services, contracts & supplies	\$7,573,032	\$2,841,341	\$2,345,822	\$1,931,103	\$454,766	\$0
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$715,099	\$715,099				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$806,700	\$17,683	\$789,017	\$0	\$0	\$0
(28) Unsupported	\$348,695	\$109,729	\$52,101	\$166,600	\$20,265	\$0
(29) Total Amortization	\$1,155,395	\$127,412	\$841,118	\$166,600	\$20,265	\$0
Interest on capital debt						
(30) Supported	\$263,966	\$0	\$263,966	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$4,191	\$1,782	\$0	\$0	\$2,409	\$0
(33) Losses on disposal of capital assets	\$15,255	\$0	\$0	\$15,255	\$0	\$0
(34) TOTAL EXPENSES	\$40,666,212	\$31,039,541	\$5,437,191	\$2,573,750	\$1,615,730	\$0
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,659,419	(\$105,279)	\$983,852	\$318,736	\$462,110	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$15,855,885
Additional Funding for Differential Cost Factors	\$11,881,750
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,032,524
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISI)	\$435,042
SuperNet Services	\$78,548
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$52,332
Infrastructure Maintenance Renewal (IMR)	\$849,487
Other Funding from Alberta Education (describe) ppe-50,591; one to one project-250,000	\$300,591
<b>Total Alberta Education Revenues</b>	<b>\$30,096,117</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$1,848,178	\$1,254,188	\$432,585		\$0	\$1,782	\$3,637,894
Mild & Moderate Disabilities/Gifted & Talented (EC8-12)	\$825,108	\$238,002	\$20,840		\$0		\$883,950
ECS Program Unit (PUF)	\$38,491	\$255,788	\$77,890		\$0		\$368,147
Severe Disabilities (Gr 1-12)	\$228,811	\$3,288,183	\$95,823		\$0		\$3,592,817
English as a Second Language (ESL)	\$61,858	\$29,401	\$12,987		\$0		\$104,327
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$27,748	\$234,805	\$40,835		\$0		\$303,288
Alberta Initiative for School Improvement	\$88,438	\$81,745	\$201,817	\$54,841	\$0		\$435,042
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$78,531		\$0		\$78,531
Class Size Initiative	\$1,032,524	\$0	\$0	\$0	\$0		\$1,032,524
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$16,893,486	\$1,042,512	\$398,498	\$825,838	\$0	\$842,511	\$20,802,821
<b>TOTAL EXPENSES</b>	<b>\$20,951,524</b>	<b>\$6,402,383</b>	<b>\$1,880,784</b>	<b>\$980,577</b>	<b>\$0</b>	<b>\$844,293</b>	<b>\$31,039,541</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	8.2	9.2
ECS Program Unit (PUF)	0.0	11.1
Severe Disabilities (Gr 1-12)	2.8	133.7



**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$40,686,212</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>6.11%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$2,077,840</b>
Considerations for Charter Schools and Small School Boards		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrolment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,077,840</b>
Less: 2006/2007 Board and System Administration expenses		<b>-\$1,615,730</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$462,110</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>				<b>\$434,189</b>
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>	
Fundraising activities	\$1,026,724	\$661,126	\$365,598	
Student fees (Non-Instructional) (Note 1)	\$321,465	\$0	\$321,465	
Donations and grants to schools	\$74,123	\$0	\$74,123	
Other (describe):	\$62,580	\$0	\$62,580	
<b>Net Additions to SGF</b>	<b>\$1,484,892</b>	<b>\$661,126</b>		<b>\$823,766</b>
<b>Net SGF Available</b>				<b>\$1,257,955</b>
<b>Uses of Net School Generated Funds:</b>				
Extra-curricular activities			\$491,575	
School site beautification			\$0	
Field Trips			\$105,885	
Equipment			\$19,132	
Family literacy and other community resources			\$0	
Other (describe):			\$98,507	
<b>Total Uses of Net SGF (Note 2)</b>				<b>\$715,099</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>				<b>\$542,856</b>
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>				
<b>Notes:</b>				
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>				
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>				
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>				



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**St. Thomas Aquinas Roman Catholic Separate School Division No. 38**

Legal Name of School Jurisdiction

**4909 - 49 Avenue, Leduc, Alberta, T9E 6W6**

Mailing Address

**PH. 780-986-2500 FX 780-986-8620**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of St. Thomas Aquinas Roman Catholic Separate School Division No. 38  
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for  
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance  
with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed  
to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed  
in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the  
school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training  
of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong  
budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited  
financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings.  
The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position  
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and  
follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Sandra Bannard**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Jamie McNamara**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Jeanne Fontaine**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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## Auditors' Report

To the Board of Trustees of  
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38

We have audited the statement of financial position of the St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Wetaskiwin, Canada  
November 19, 2007

Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**

(in dollars)

		2007	2006 (Note)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and temporary investments		\$4,947,928	\$21,215
Accounts receivable (net after allowances)		\$1,073,639	\$3,116,812
Prepaid expenses		\$271,002	\$142,078
Other current assets		\$52,641	\$54,033
<b>Total current assets</b>		<b>\$6,345,210</b>	<b>\$3,334,138</b>
School generated assets		\$284,040	\$232,475
Trust assets		\$52,517	\$45,770
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
<b>Capital assets</b>			
Land		\$669,686	\$669,686
Buildings	\$34,521,143		
Less: accumulated amortization	(\$12,124,349)	\$22,396,794	\$22,928,771
Equipment	\$1,826,486		
Less: accumulated amortization	(\$1,241,510)	\$584,976	\$762,232
Vehicles	\$225,894		
Less: accumulated amortization	(\$140,222)	\$85,672	\$99,355
<b>Total capital assets</b>		<b>\$23,737,128</b>	<b>\$24,460,044</b>
<b>TOTAL ASSETS</b>		<b>\$30,396,895</b>	<b>\$28,072,427</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank indebtedness		\$0	\$308,481
Accounts payable and accrued liabilities		\$1,576,384	\$1,148,478
Deferred revenue		\$647,447	\$356,911
Deferred capital allocations		\$2,180,645	\$46,685
Current portion of all long term debt		\$532,839	\$554,634
<b>Total current liabilities</b>		<b>\$4,937,315</b>	<b>\$2,415,189</b>
School generated liabilities		\$264,040	\$232,475
Trust liabilities		\$52,517	\$45,770
Employee future benefits liability		\$0	\$0
Long term payables and accrued liabilities		\$0	\$0
<b>Long term debt</b>			
Supported: Debentures and other supported debt		\$3,384,372	\$3,939,006
Less: Current portion of supported debt		(\$532,839)	(\$554,634)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations		\$18,754,934	\$18,884,060
<b>Total long term liabilities</b>		<b>\$21,923,024</b>	<b>\$22,546,677</b>
<b>TOTAL LIABILITIES</b>		<b>\$26,860,339</b>	<b>\$24,961,866</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$0	\$0
Operating Reserves		\$1,840,734	\$1,473,583
Accumulated Operating Surplus (Deficit)		\$1,840,734	\$1,473,583
Investment in capital assets		\$1,597,822	\$1,636,978
Capital Reserves		\$100,000	\$0
<b>Total Capital Funds</b>		<b>\$1,697,822</b>	<b>\$1,636,978</b>
<b>Total net assets</b>		<b>\$3,538,556</b>	<b>\$3,110,561</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$30,396,895</b>	<b>\$28,072,427</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$18,331,448	\$17,273,415	\$16,787,161
Federal Government and/or First Nations	\$1,490,993	\$1,238,759	\$1,463,527
Other Alberta school authorities	\$2,645	\$10,000	
Out of province authorities	\$15,700	\$0	
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	
Instruction resource fees	\$218,880	\$129,220	\$161,958
Transportation fees	\$23,051	\$16,000	\$17,985
Other sales and services	\$60,525	\$29,183	\$103,495
Investment income	\$111,595	\$55,000	\$18,620
Gifts and donations	\$32,640	\$0	\$45
Rentals of facilities	\$79,806	\$4,200	\$16,789
Net school generated funds	\$231,664	\$563,857	\$88,709
Gains on disposal of capital assets	\$2,191	\$0	
Amortization of capital allocations	\$1,245,274	\$1,157,307	\$1,211,547
<b>Total Revenues</b>	<b>\$21,846,412</b>	<b>\$20,476,941</b>	<b>\$19,869,836</b>
<b>EXPENSES</b>			
Certificated salaries	\$10,449,052	\$10,253,453	\$10,204,673
Certificated benefits	\$1,154,104	\$1,239,792	\$1,092,908
Non-certificated salaries and wages	\$2,959,479	\$2,334,613	\$2,747,795
Non-certificated benefits	\$581,544	\$530,455	\$505,539
Services, contracts and supplies	\$4,213,165	\$4,172,904	\$3,839,836
Net school generated funds	\$231,664	\$563,857	\$88,709
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,245,274	\$1,157,307	\$1,211,547
Unsupported	\$218,857	\$163,000	\$185,604
Total Amortization of capital assets	\$1,464,131	\$1,320,307	\$1,397,152
Interest on capital debt			
Supported	\$363,182	\$395,662	\$424,119
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$363,182	\$395,662	\$424,119
Other interest charges	\$2,096	\$0	\$1,410
Losses on disposal of capital assets	\$0	\$0	\$869
<b>Total Expenses</b>	<b>\$21,418,417</b>	<b>\$20,811,043</b>	<b>\$20,303,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$427,995	(\$334,102)	(\$433,174)
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$427,995</b>	<b>(\$334,102)</b>	<b>(\$433,174)</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$427,995	(\$433,174)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,245,274)	(\$1,211,547)
Total amortization expense	\$1,464,131	\$1,397,152
Gains on disposal of capital assets	(\$2,191)	\$0
Losses on disposal of capital assets	\$0	\$869
Changes in accrued accounts:		
Accounts receivable	\$2,043,173	\$180,335
Prepays and other current assets	(\$127,532)	\$93,611
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$427,906	(\$196,585)
Deferred revenue	\$290,536	(\$117,078)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>\$3,278,744</b>	<b>(\$286,417)</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$559,956)	(\$1,253,856)
Equipment	(\$178,613)	(\$154,389)
Vehicles	(\$25,480)	(\$105,120)
Net proceeds from disposal of capital assets	\$25,025	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$739,024)</b>	<b>(\$1,513,365)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$2,695,474	\$1,026,098
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$554,634)	(\$617,425)
Add back: supported portion	\$554,634	\$617,425
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$2,695,474</b>	<b>\$1,026,098</b>
<b>Net sources (uses) of cash during year</b>	<b>\$5,235,194</b>	<b>(\$773,684)</b>
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	(\$287,266)	\$486,418
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$4,947,928	(\$287,266)

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



## STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2007  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$3,110,561	\$1,636,978	\$0	\$1,473,583	\$0
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$3,110,561	\$1,636,978	\$0	\$1,473,583	\$0
Excess(def) of revenue over expenses	\$427,995		\$427,995		
Board funded capital transactions		\$202,535	(\$177,510)	\$0	(\$25,025)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,484,131)	\$1,484,131		
Amortization of capital allocations		\$1,245,274	(\$1,245,274)		
Disposal of unsupported capital assets	\$0	(\$22,834)	(\$2,191)		\$25,025
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$367,151)	\$367,151	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$100,000)		\$100,000
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$3,538,556	\$1,597,822	\$0	\$1,840,734	\$100,000

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$46,685	\$18,884,060
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$46,685	\$18,884,060
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$2,695,401	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$73	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$554,634
Expended capital allocations - current year	(\$561,514)	\$561,514
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,245,274
Balance at August 31, 2007	\$2,180,645	\$18,754,934

\* Exclude Infrastructure Maintenance Renewals/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

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# **St. Thomas Aquinas Roman Catholic Separate Regional Division #38 Notes to the Financial Statements**

August 31, 2007

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## **1. Authority and purpose**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

As a not-for-profit organization under the Income Tax Act, the School Division is not subject to either federal or provincial income taxes.

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## **2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

### **Revenue recognition**

The St. Thomas Aquinas Roman Catholic Separate Regional Division #38 follows the deferral method of accounting for contributions.

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

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**St. Thomas Aquinas Roman Catholic  
Separate Regional Division #38  
Notes to the Financial Statements**

August 31, 2007

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**2. Summary of significant accounting policies (continued)**

**Capital assets**

Capital assets are recorded at cost. Amortization is provided on a straight line basis over the assets' estimated useful lives at the following rates:

Buildings	2.5% to 10%
Equipment and vehicles	20%

Only capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**School generated funds**

These are funds which come under the control and responsibility of a school principal for school activities. These funds are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

**Vacation pay**

Vacation pay is accrued in the period in which the employee earns the benefit.

**Pensions / Retirement Savings Plans**

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the St. Thomas Aquinas Roman Catholic Separate Regional Division does not make pension contributions for certificated staff.

For non-certificated staff, the school jurisdiction contributes to employee's registered retirement savings plans, based upon a percentage of the employee's normal annual salary. The employer expense is recorded as a benefit cost in the period the obligation arises.

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**St. Thomas Aquinas Roman Catholic  
Separate Regional Division #38  
Notes to the Financial Statements**

August 31, 2007

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**2. Summary of significant accounting policies (continued)**

**Prepaid expenses**

Certain expenditures incurred before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

**Contributed services**

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

**Financial instruments**

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

**Operating and capital reserves**

Reserves are established at the discretion of the Board of Trustees of the jurisdiction to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

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<b>3. Cash and cash equivalents</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Cash and cash equivalents include balances internally and externally restricted as follows:		
Externally restricted		
Operations	\$ 2,828,092	\$ 21,215
Internally restricted		
Operating reserves	1,840,734	-
Capital reserves	<u>100,000</u>	<u>-</u>
	4,768,826	21,215
Unrestricted operating cash	<u>179,102</u>	<u>-</u>
Total	<u>\$ 4,947,928</u>	<u>\$ 21,215</u>

**St. Thomas Aquinas Roman Catholic  
Separate Regional Division #38  
Notes to the Financial Statements**

August 31, 2007

<b>4. Accounts receivable</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Province of Alberta	\$ 425,157	\$2,203,481
Federal Government	238,288	497,608
Alberta Municipalities	342,398	268,502
Other	<u>67,796</u>	<u>147,221</u>
<b>Total</b>	<b><u>\$1,073,639</u></b>	<b><u>\$3,116,812</u></b>

**5. Bank indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$500,000 that bears interest at the bank prime rate less 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

<b>6. Accounts payable and liabilities</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Province of Alberta	\$ 552,883	\$ 564,718
Federal Government	-	8,096
Other trade payables and accrued liabilities	<u>1,023,501</u>	<u>575,664</u>
<b>Total</b>	<b><u>\$ 1,576,384</u></b>	<b><u>\$1,148,478</u></b>

<b>7. Deferred revenue</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Infrastructure maintenance program	\$ 328,655	\$ 59,615
Block modernization	278,108	266,771
Lease incentive	22,200	27,750
AISI	18,409	-
School fees	<u>75</u>	<u>2,775</u>
<b>Total</b>	<b><u>\$ 647,447</u></b>	<b><u>\$ 356,911</u></b>

<b>8. Trust assets and liabilities</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Kneival Trust Fund	\$ 22,439	\$ 21,547
Taylor J. Bourque Memorial Fund	<u>30,078</u>	<u>24,223</u>
<b>Total</b>	<b><u>\$ 52,517</u></b>	<b><u>\$ 45,770</u></b>

Grant Thornton

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**St. Thomas Aquinas Roman Catholic  
Separate Regional Division #38  
Notes to the Financial Statements**

August 31, 2007

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**9. Long term debt**

**Debenture debt - supported**

The debenture debt bears interest at rates varying between 8% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 532,839	\$ 332,439	\$ 865,278
2009	479,374	283,769	763,143
2010	439,513	235,671	675,184
2011	439,513	202,273	641,786
2012	422,488	138,405	560,893
2013 to maturity	<u>1,070,645</u>	<u>290,391</u>	<u>1,361,036</u>
Total	<u>\$ 3,384,372</u>	<u>\$ 1,482,948</u>	<u>\$ 4,867,320</u>

**Capital Leases – unsupported**

Currently, there are no capital leases held by the jurisdiction.

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**10. Deferred capital allocations**

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by jurisdictions, but the related expenditure has not yet been made at year end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

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**11. Unamortized capital allocations**

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

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# **St. Thomas Aquinas Roman Catholic**

## **Separate Regional Division #38**

### **Notes to the Financial Statements**

August 31, 2007

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#### **12. Commitments**

##### **Office premises**

The Regional Division has entered into an agreement to lease its office premises until April 1, 2012. The annual rent payable is \$63,300.

##### **Buildings**

The Regional Division received approval from Alberta Infrastructure to build a replacement school, purchase one school, complete modernization of two schools, and some other smaller scale projects. The cost of these projects will be fully supported and is expected to be \$15,731,145. To date the Regional Division has spent \$1,225,240.

##### **Photocopiers**

The Regional Division leases photocopiers under long term operating leases. The future minimum payments are as follows:

2008	\$ 48,359
2009	48,359
2010	46,357

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#### **13. Contingencies**

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

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#### **14. Related party transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The St. Thomas Aquinas Roman Catholic School Division had related party transactions for the year ended August 31, 2007 recorded on the Statement of Revenues and Expenses and Statement of Financial Position at amount of consideration agreed upon between the related parties.



**St. Thomas Aquinas Roman Catholic  
Separate Regional Division #38  
Notes to the Financial Statements**

August 31, 2007

**14. Related party transactions (continued)**

Related Parties	<u>Balances</u>		<u>Transactions</u>	
	Assets (@ cost or net realizable value)	Liabilities (fair value)	Revenues	Expenses
<b>Government of Alberta</b>				
Education	\$ 306,900	\$ 361,573	\$17,907,950	\$
Infrastructure		278,108		
Finance	184,724		363,182	
Other Gov't of Alberta Dep't		184,724	10,995	366,092
<b>Other</b>				
Other Alberta school jurisdictions	13,258	38,774	46,256	80,607
<b>TOTAL 2006-2007</b>	<b>\$ 504,882</b>	<b>\$ 863,179</b>	<b>\$18,328,383</b>	<b>\$ 446,699</b>
<b>TOTAL 2005-2006</b>	<b>\$2,203,481</b>	<b>\$286,507</b>	<b>\$16,787,161</b>	<b>\$505,688</b>

**15. Economic dependence on related third party**

The Regional Division received 83.9% (2006 – 84.5%) of its revenues pursuant to a funding arrangement with the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**16. Budget amounts**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 20, 2006. It is presented for information purposes only and has not been audited.

**17. Remuneration and monetary incentives**

The St. Thomas Aquinas Roman Catholic Schools had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

# **St. Thomas Aquinas Roman Catholic Separate Regional Division #38 Notes to the Financial Statements**

August 31, 2007

## **17. Remuneration and monetary incentives (continued)**

Board Members	FTE	Remuneration	Benefits	Allowances	Expenses
Chair, Sandra Bannard	1.0	\$ 9,877	\$ 255	\$ 1,600	\$ 10,199
Alfred Calkins	1.0	\$ 6,113	\$ -	\$ 1,600	\$ 7,241
Angela Greenidge	1.0	\$ 8,680	\$ 225	\$ 1,600	\$ 9,615
Arlene Hamilton	1.0	\$ 6,520	\$ 141	\$ 1,600	\$ 4,312
Maria Lentz	1.0	\$ 5,460	\$ 24	\$ 1,600	\$ 6,744
Karen Richert	1.0	\$ 5,750	\$ 129	\$ 1,600	\$ 5,546
Charles Swap	1.0	\$ 5,346	\$ 115	\$ 1,600	\$ 5,662
Kelly Whalen	1.0	\$ 6,560	\$ 173	\$ 1,600	\$ 5,602
Michael Wyeth	1.0	\$ 5,100	\$ -	\$ 1,600	\$ 5,098
<b>Subtotal</b>	<b>9.0</b>	<b>\$ 59,406</b>	<b>\$ 1,062</b>	<b>\$ 14,400</b>	<b>\$ 60,019</b>
Superintendent	1.0	\$ 128,509	\$ 10,094		\$ 18,561
Secretary-Treasurer	1.0	\$ 115,399	\$ 22,459		\$ 12,730
Certificated Teachers	141.9	\$ 10,320,543	\$ 1,144,010		
Non-certificated - Other	96.8	\$ 2,770,274	\$ 558,022		
<b>TOTALS</b>	<b>249.7</b>	<b>\$ 13,394,131</b>	<b>\$ 1,735,647</b>	<b>\$ 14,400</b>	<b>\$ 91,310</b>

## **18. Change in accounting policy**

On September 1, 2007, the Regional Division is required to and will adopt CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement; CICA Handbook Section 1530, Comprehensive Income; and the amendments to CICA Handbook Sections and Accounting Guidelines resulting from the issuance of these Sections. Under the new standards, all financial assets must be classified as held-to-maturity, loans and receivables, held-for-trading or available-for-sale and all financial liabilities must be classified as held-for-trading and other. Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in net income. Financial assets classified as held-to-maturity or as loans and receivables and financial liabilities not classified as held-for-trading will be measured at amortized cost. Available-for-sale financial assets will be measured at fair value with changes in fair value recognized in other comprehensive income (OCI). The Regional Division is required to present OCI and its components as well as the components of OCI in its financial statements. Major components of OCI include changes in fair value of financial assets classified as available-for-sale.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**St Thomas Aquinas Roman Catholic Separate School Division No. 38**

Legal Name of School Jurisdiction

**4909 - 49 Avenue, Leduc, Alberta, T9E 6W6**

Mailing Address

**PH. 780-986-2500 FX. 780-986-8620**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Jeanne Fontaine**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10154-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE A  
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$17,907,949	\$14,417,054	\$2,047,329	\$374,467	\$1,069,099	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0	\$0		\$0
(3) Alberta Finance	\$363,182		\$363,182			\$0
(4) Other - Government of Alberta	\$80,316	\$10,995	\$0	\$0	\$0	\$49,321
(5) Federal Government and/or First Nations	\$1,490,993	\$1,386,414	\$14,940	\$0	\$89,639	\$0
(6) Other Alberta school authorities	\$2,645	\$2,645	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$15,700	\$15,700	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$218,880	\$218,880				
(10) Transportation fees	\$23,051			\$23,051		
(11) Other sales and services	\$80,525	\$9,322	\$0	\$0	\$2,058	\$49,145
(12) Investment income	\$111,595	\$0	\$7,777	\$0	\$103,818	\$0
(13) Gifts and donations	\$32,640	\$32,640	\$0	\$0		\$0
(14) Rentals of facilities	\$79,806	\$0	\$79,806	\$0	\$0	\$0
(15) Net school generated funds	\$231,664	\$231,664			\$0	
(16) Gains on disposal of capital assets	\$2,191	\$0	\$2,191	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,245,275	\$0	\$1,245,275	\$0		\$0
(18) TOTAL REVENUES	\$21,846,412	\$16,325,314	\$3,760,500	\$387,518	\$1,264,614	\$98,466
<b>EXPENSES</b>						
(19) Certificated salaries	\$10,449,052	\$10,209,517			\$239,535	\$0
(20) Certificated benefits	\$1,154,105	\$1,134,072			\$20,033	\$0
(21) Non-certificated salaries and wages	\$2,959,479	\$1,935,249	\$555,999	\$7,259	\$409,951	\$51,021
(22) Non-certificated benefits	\$581,545	\$377,054	\$119,344	\$1,692	\$74,735	\$8,720
(23) SUB - TOTAL	\$15,144,181	\$13,655,892	\$675,343	\$8,951	\$744,254	\$59,741
(24) Services, contracts & supplies	\$4,213,164	\$1,549,516	\$1,607,128	\$546,684	\$466,940	\$42,896
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$231,664	\$231,664				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,245,274	\$182,704	\$1,062,570	\$0	\$0	\$0
(28) Unsupported	\$218,856	\$163,874	\$45,843	\$0	\$9,239	\$0
(29) Total Amortization	\$1,464,130	\$346,678	\$1,108,213	\$0	\$9,239	\$0
Interest on capital debt						
(30) Supported	\$363,182	\$0	\$363,182	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$2,096	\$0	\$0	\$0	\$2,096	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$21,418,417	\$15,783,750	\$3,753,866	\$555,635	\$1,222,529	\$102,637
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$427,995	\$541,564	\$6,634	(\$158,117)	\$42,085	(\$4,171)

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$11,785,829
Additional Funding for Differential Cost Factors	\$4,844,024
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$754,881
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AIS)	\$282,903
SuperNet Services	\$54,378
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$29,467
Infrastructure Maintenance Renewal (IMR)	\$356,887
Other Funding from Alberta Education (describe)	\$0
Total Alberta Education Revenue	\$17,907,949

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$1,420,380	\$831,073	\$627,356		\$0	\$64,385	\$2,943,174
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$537,509	\$243,387	\$241,698		\$0		\$1,022,794
ECS Program Unit (PUF)	\$0	\$198,104	\$48,728		\$0		\$247,833
Severe Disabilities (Gr 1-12)	\$282,054	\$882,562	\$67,308		\$0		\$1,341,834
English as a Second Language (ESL)	\$24,528	\$0	\$0		\$0		\$24,528
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$122,840	\$33,091	\$1,569		\$0		\$157,300
Alberta Initiative for School Improvement	\$182,122	\$24,087	\$66,894	\$0	\$0		\$262,903
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$56,912		\$0		\$56,912
Class Size Initiative	\$752,192	\$0	\$0	\$0	\$0		\$752,192
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$8,032,154	\$0	\$378,583	\$29,467	\$0	\$513,977	\$8,954,180
TOTAL EXPENSES	\$11,343,589	\$2,312,304	\$1,520,049	\$29,467	\$0	\$578,342	\$15,783,750

FULL-TIME-EQUIVALENCIES (Based/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	5.5	8.5
ECS Program Unit (PUF)	0.0	5.9
Severe Disabilities (Gr 1-12)	3.5	27.6

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$21,418,417</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>6.00%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<small>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).</small>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$1,285,105</b>
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrollment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$1,285,105</b>
Less: 2006/2007 Board and System Administration expenses		<b>-\$1,222,529</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$62,576</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$232,475</b>
<b>Sources of School Generated Funds:</b>		
Fundraising activities	Gross SGF	Related Expenses
Student fees (Non-Instructional) (Note 1)	\$308,308	\$252,802
Donations and grants to schools	\$543,802	\$543,188
Other (describe):	\$9,696	\$8,841
	\$277,582	\$71,328
<b>Net Additions to SGF</b>	<b>\$1,139,388</b>	<b>\$876,159</b>
<b>Net SGF Available</b>		<b>\$495,704</b>
<b>Uses of Net School Generated Funds:</b>		
Extra-curricular activities		\$45,928
School site beautification		\$0
Field Trips		\$19,184
Equipment		\$0
Family literacy and other community resources		\$0
Other (describe): Travel clubs, canteen		\$166,552
<b>Total Uses of Net SGF (Note 2)</b>		<b>\$231,664</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$264,040</b>
<p><small>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</small></p>		
<b>Notes:</b>		
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>		
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>		
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>		





**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Sturgeon School Division No. 24**

Legal Name of School Jurisdiction

9820-104 Street Morinville, AB T8R 1L8

Mailing Address

T - 780-939-4341 F - 780-939-5520

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Sturgeon School Division No. 24

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Mr. Terry Jewell

Name

^"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Dr. Michele Dick

Name

^"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Mrs. Karen parasynchuk

Name

^"ORIGINAL SIGNED"

Signature

28-Nov-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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# Hawkings Epp Dumont LLP

## Chartered Accountants

E.A. Hawkings, CA*	P.J. Dirks, CA*	J.S. Hawkings, CA*	Suite 101
M.H. Epp, CA, CMA*	T.D. Tinney, CA*	C.D. Friesen, CA*	17107 - 107 Avenue
P.J. Dirks, CA*			Edmonton, Alberta T5S 1G3
L.M. Custer, CMA	T.G. Dodd, CA*	M.M. Friedman, CGA	Telephone (780) 489-9606
D.M. Goulet-Soetaert, CA, CMA*	C.M. Kulak, CA*	J.M. Kennedy, CA	Fax (780) 484-9689
K.A. van Roijen, CGA	B.L. Moore, CMA*	C.S. Guilbeault, CA	Email: hed@hed-edm.com

## AUDITORS' REPORT

To The Board of Trustees  
Sturgeon School Division No. 24  
Morinville, Alberta

We have audited the statement of financial position of Sturgeon School Division No. 24 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an audit opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta  
October 25, 2007

HAWKINGS EPP DUMONT LLP  
Chartered Accountants

### Founding Partners

F.J. Bruha, CA (Deceased)  
A.W. Whelan, CA (Retired)

Stony Plain Office  
Phone (780) 963-2727  
Fax (780) 963-1294  
Email: email@hawkings.com

\*Professional Corporation

**STATEMENT OF FINANCIAL POSITION**  
**as at August 31, 2007**

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and temporary investments	\$4,823,480	\$3,225,182
Accounts receivable (net after allowances)	\$348,756	\$738,473
Prepaid expenses	\$301,104	\$124,472
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$5,473,340</b>	<b>\$4,088,127</b>
<b>School generated assets</b>		
<b>Trust assets</b>	<b>\$325,414</b>	<b>\$289,944</b>
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
<b>Capital assets</b>		
Land	\$1,414,541	\$1,414,541
Buildings	\$47,168,692	
Less: accumulated amortization	(\$25,385,507)	\$21,783,185
<b>Equipment</b>	<b>\$3,389,918</b>	<b>\$22,966,775</b>
Less: accumulated amortization	(\$2,594,881)	\$795,037
<b>Vehicles</b>	<b>\$879,141</b>	<b>\$1,185,485</b>
Less: accumulated amortization	(\$471,253)	\$407,888
<b>Total capital assets</b>	<b>\$24,400,651</b>	<b>\$25,952,095</b>
<b>TOTAL ASSETS</b>	<b>\$30,236,445</b>	<b>\$30,412,273</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,711,188	\$1,418,985
Deferred revenue	\$760,121	\$182,847
Deferred capital allocations	\$116,395	\$123,664
Current portion of all long term debt	\$406,427	\$574,067
<b>Total current liabilities</b>	<b>\$2,994,131</b>	<b>\$2,299,563</b>
<b>School generated liabilities</b>		
<b>Trust liabilities</b>	<b>\$325,414</b>	<b>\$289,944</b>
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
<b>Long term debt</b>		
Supported: Debentures and other supported debt	\$1,665,000	\$2,145,319
Less: Current portion of supported debt	(\$312,679)	(\$480,319)
Unsupported: Debentures and Capital Loans	\$93,748	\$187,496
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$93,748)	(\$93,748)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$19,825,798	\$20,696,999
<b>Total long term liabilities</b>	<b>\$21,540,573</b>	<b>\$22,829,798</b>
<b>TOTAL LIABILITIES</b>	<b>\$24,534,704</b>	<b>\$25,129,361</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$439,086	\$73,628
Operating Reserves	\$1,599,299	\$1,436,616
Accumulated Operating Surplus (Deficit)	\$2,038,385	\$1,510,244
Investment in capital assets	\$2,816,104	\$2,920,282
Capital Reserves	\$847,252	\$852,386
<b>Total Capital Funds</b>	<b>\$3,663,356</b>	<b>\$3,772,668</b>
<b>Total net assets</b>	<b>\$5,701,741</b>	<b>\$5,282,912</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$30,236,445</b>	<b>\$30,412,273</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$41,790,436	\$39,983,763	\$38,968,987
Federal Government and/or First Nations	\$287,254	\$297,194	\$298,211
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$34,780	\$21,554
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$238,351	\$256,959	\$239,241
Transportation fees	\$0		\$0
Other sales and services	\$780,173	\$217,630	\$597,623
Investment income	\$191,144	\$105,000	\$112,678
Gifts and donations	\$8,400	\$0	\$15,000
Rentals of facilities	\$0	\$0	\$0
Net school generated funds	\$729,538	\$254,138	\$840,851
Gains on disposal of capital assets	\$8,190	\$0	\$0
Amortization of capital allocations	\$1,385,434	\$1,349,000	\$1,364,356
<b>Total Revenues</b>	<b>\$45,418,920</b>	<b>\$42,498,464</b>	<b>\$42,458,501</b>
<b>EXPENSES</b>			
Certificated salaries	\$21,229,702	\$20,367,747	\$20,797,623
Certificated benefits	\$2,342,707	\$2,176,882	\$2,088,106
Non-certificated salaries and wages	\$7,469,065	\$6,948,099	\$7,036,389
Non-certificated benefits	\$1,608,372	\$1,744,973	\$1,527,399
Services, contracts and supplies	\$9,595,374	\$9,755,038	\$8,351,318
Net school generated funds	\$729,538	\$254,138	\$840,851
Capital and debt services			
Amortization of capital assets			
Supported	\$1,385,434	\$1,349,000	\$1,364,356
Unsupported	\$449,532	\$356,000	\$447,511
Total Amortization of capital assets	<b>\$1,834,966</b>	<b>\$1,705,000</b>	<b>\$1,811,867</b>
Interest on capital debt			
Supported	\$190,367	\$190,366	\$247,659
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	<b>\$190,367</b>	<b>\$190,366</b>	<b>\$247,659</b>
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$45,000,091</b>	<b>\$43,142,243</b>	<b>\$42,701,212</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$418,829</b>	<b>(\$643,779)</b>	<b>(\$242,711)</b>
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$418,829</b>	<b>(\$643,779)</b>	<b>(\$242,711)</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$418,829	(\$242,708)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,385,434)	(\$1,364,356)
Total amortization expense	\$1,834,966	\$1,811,867
Gains on disposal of capital assets	(\$8,190)	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$389,717	\$1,036,626
Prepays and other current assets	(\$176,632)	\$68,598
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$292,203	\$554,261
Deferred revenue	\$577,274	(\$304,606)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,942,733	\$1,559,682
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$131,042)	(\$315,460)
Equipment	(\$60,885)	(\$103,867)
Vehicles	(\$91,595)	\$0
Net proceeds from disposal of capital assets	\$8,190	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from investing activities	(\$275,332)	(\$419,327)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$24,645	\$383,685
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$574,067)	(\$719,054)
Add back: supported portion	\$480,319	\$625,305
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	(\$69,103)	\$289,936
Net sources (uses) of cash during year	\$1,598,298	\$1,430,291
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$3,225,182	\$1,794,891
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$4,823,480	\$3,225,182

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$5,282,912	\$2,920,282	\$73,628	\$1,436,616	\$852,386
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$5,282,912	\$2,920,282	\$73,628	\$1,436,616	\$852,386
Excess(def) of revenue over expenses	\$418,829		\$418,829		
Board funded capital transactions		\$251,606	(\$251,606)		\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,834,966)	\$1,834,966		
Amortization of capital allocations		\$1,385,434	(\$1,385,434)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$93,748	(\$93,748)		
Net transfers to operating reserves			(\$222,918)	\$222,918	
Net transfers from operating reserves			\$60,235	(\$60,235)	
Net transfers to capital reserves			\$0		
Net transfers from capital reserves			\$5,134		(\$5,134)
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$5,701,741	\$2,816,104	\$439,086	\$1,599,299	\$847,252



**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$123,664	\$20,698,999
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$123,664	\$20,698,999
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *		
Infrastructure & Transportation-School/Modular Project Capital *		
Other Government of Alberta	\$24,645	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$480,319
Expended capital allocations - current year	(\$31,914)	\$31,914
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other		\$0
Capital allocations amortized to revenue		\$1,385,434
Balance at August 31, 2007	\$116,395	\$19,825,798

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



## STURGEON SCHOOL DIVISION NO. 24

### NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2007

#### 1. AUTHORITY AND PURPOSE

The Division delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Division receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Division is limited on certain funding allocations administration expenses.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding significant items such as amounts relating to amortization, impairment assessments of property and equipment, and allowances for uncollectible receivables that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

##### (a) Revenue Recognition

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

##### (b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following annual rates:

Buildings	40 years
Buildings - portables	25 years
Equipment	5 years
Vehicles	5 years

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense (see Note 8).

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

**STURGEON SCHOOL DIVISION NO. 24**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) School Generated Funds**

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

**(d) Vacation Pay**

Vacation pay is accrued in the period in which the benefit is earned by the employee.

**(e) Pensions**

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Division does not make pension contributions for certificated staff.

The Division participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$512,726 (2006 - \$493,543) for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 - deficiency of \$863,558,000).

**(f) Prepaid Expenses**

Certain expenses incurred and paid for before the close of the fiscal year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

**(g) Contributed Services**

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

**(h) Operating and Capital Reserves**

Reserves are established at the discretion of the Board of Trustees of the Division to set aside funds for future operating and capital purposes. These reserves are appropriations of unrestricted net assets.

**STURGEON SCHOOL DIVISION NO. 24**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**3. ACCOUNTS RECEIVABLE**

	<u>2007</u>	<u>2006</u>
Other	\$ 106,284	\$ 95,390
Alberta Finance	89,106	117,538
Federal government	76,582	43,541
First Nations	70,984	49,535
Other Province of Alberta	5,800	3,267
Other Alberta school jurisdictions	-	10,820
Alberta Infrastructure and Transportation	-	72,067
Alberta Education	-	346,315
	<u>\$ 348,756</u>	<u>\$ 738,473</u>

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2007</u>	<u>2006</u>
Other trade payables and accrued liabilities	\$ 1,116,408	\$ 792,881
Federal government	498,815	478,823
Alberta Finance	89,106	117,538
Other Province of Alberta	6,859	8,743
Alberta Infrastructure and Transportation	-	21,000
	<u>\$ 1,711,188</u>	<u>\$ 1,418,985</u>

**5. DEFERRED REVENUE**

	<u>2007</u>	<u>2006</u>
Infrastructure Maintenance Program	\$ 529,755	\$ -
Alberta Initiative for School Improvement	116,019	59,924
Other	71,325	54,448
Learning Resources credit	26,194	16,800
Instruction material fees	16,828	17,183
Classroom Resources	-	34,492
	<u>\$ 760,121</u>	<u>\$ 182,847</u>

**6. TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the Division for Scholarship Trusts. The School Division administers two separate trust funds which are used to pay the Frank Robinson scholarship and Halina Dudzic awards. The School Division also holds trust funds on behalf of the Sturgeon School Division Bursary Foundation and is responsible for paying an annual bursary of \$600.

**STURGEON SCHOOL DIVISION NO. 24****NOTES TO FINANCIAL STATEMENTS (CONT'D)****AUGUST 31, 2007****7. LONG-TERM DEBT**

The debentures are held with Alberta Capital Finance Authority, bear interest at rates ranging from 7.5% to 12.0% and are fully supported by Alberta Finance.

The Division has an obligation under a capital lease for telephone equipment repayable in annual instalments of \$93,748 with a purchase option of \$1 at maturity on October 21, 2007.

Debenture payments due over the next five years and beyond are as follows:

	<u>Debentures</u>	<u>Capital Lease</u>	<u>Total</u>
2008	\$ 312,680	\$ 93,748	\$ 406,428
2009	227,482	-	227,482
2010	203,211	-	203,211
2011	203,211	-	203,211
2012	203,211	-	203,211
Thereafter	<u>515,205</u>	<u>-</u>	<u>515,205</u>
	<u>\$ 1,665,000</u>	<u>\$ 93,748</u>	<u>\$ 1,758,748</u>

**8. DEFERRED CAPITAL ALLOCATIONS**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the Division but the related expenditure has not yet been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

**9. UNAMORTIZED CAPITAL ALLOCATIONS**

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. Unamortized capital allocations are increased by transfers of previously deferred capital allocations which are now spent, as well as fully-supported debenture principle repayments.

**STURGEON SCHOOL DIVISION NO. 24**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**10. COMMITMENTS**

**(a) Equipment Leases**

The School Division is committed to the following payments for equipment operating leases over the next five years:

2008	\$ 171,837
2009	165,229
2010	<u>153,475</u>
	<u>\$ 490,541</u>

**(b) Building Leases**

The Division has entered into three leases for space to operate its Learning Centres. The annual lease payments to the end of the lease term are as follows:

2008	\$ 68,648
2009	41,048
2010	<u>33,600</u>
	<u>\$ 143,296</u>

**(c) Electricity Agreement**

The Division has entered into an electrical energy purchase agreement that fixes the price of electricity for a ten year term expiring January 1, 2012.

**11. CONTINGENCIES**

**(a) Contingent Liability**

On December 15, 2000, the School Division entered into an agreement with the Minister of National Defence. Under the terms of the agreement, the School Division leases land, on which the new Guthrie School is located, from the Minister in the amount of \$1.00 per annum for a period of twenty-five years commencing on September 1, 2000 and continuing until August 31, 2025. The School Division has the option to renew the lease for a further twenty-five year term under the same terms and conditions provided the School Division notifies the Minister at least twelve months prior to the expiry of the present lease term of its intention to exercise this option.

Additionally, upon termination of the lease by either the School Division or the Minister, the School Division shall, at the choice of the Minister either, convey ownership of the new Guthrie School to the Minister for nominal consideration of \$1.00, or demolish the school at its sole expense.

**(b) Contingent Asset**

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the School Division can liquidate.

**STURGEON SCHOOL DIVISION NO. 24**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**12. FINANCIAL INSTRUMENTS**

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

**13. RELATED PARTY TRANSACTIONS**

The Division is controlled by the Government of Alberta. Transactions between the Division and the Government of Alberta and related balances are disclosed on the Statement of Revenues and Expenses and the Statement of Financial Position and in notes 3, 4, 5, and 7.

The transactions are recorded at their exchange amounts as agreed to by the related parties.

**14. ECONOMIC DEPENDENCE**

The Division's primary source of revenue is received from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**15. ADDITIONAL CASH FLOW INFORMATION**

The Division's cash payments for interest on long-term debt during 2007 were \$218,800 (2006 - \$286,546).

The Division received cash interest payments of \$191,144 during 2007 (2006 - \$112,680).

**16. DISCLOSURE OF SALARIES AND BENEFITS**

Disclosure of remuneration and benefits as required by paragraph 148(1) of *The School Act* is as follows:

	<u>Number</u>	<u>Salaries and Wages</u>	<u>Benefits</u>	<u>ERIPs Other</u>	<u>Expenses</u>
Jewell (Chairman)	1	\$ 17,752	\$ 563	\$ -	\$ 3,135
Milligan	1	16,198	272	-	2,945
Fundytus	1	15,948	498	-	2,922
Horner	1	17,898	566	-	3,783
Hrynychuk	1	17,848	586	-	4,754
Frazier	1	16,798	528	-	2,458
Miller	1	17,548	536	-	4,859
Pool	1	1,950	-	-	-
Superintendent	1	134,120	7,753	-	10,971
Secretary-Treasurer	1	114,858	22,847	-	4,154
Salaries - Certificated	284	21,095,582	2,334,955	-	-
Salaries - Uncertificated	<u>218</u>	<u>7,232,267</u>	<u>1,581,975</u>	<u>-</u>	<u>-</u>
	<u>512</u>	<u>\$ 28,698,767</u>	<u>\$ 3,951,079</u>	<u>\$ -</u>	<u>\$ 39,981</u>

**STURGEON SCHOOL DIVISION NO. 24**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**AUGUST 31, 2007**

**17. BUDGET FIGURES**

The budget was prepared by the Division and approved by the Board of Trustees. It is presented for information purposes only.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**Sturgeon School Division No 24**

Legal Name of School Jurisdiction

**9820-104 Street Morinville, AB T8R 1L8**

Mailing Address

**T - 780-939-4341 F - 780-939-5520**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Karen Parasynchuk**

Name

**"ORIGINAL SIGNED"**

Signature

**28-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T6J 4L8  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996



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**SCHEDULE A**

School Jurisdiction Code

1110

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$41,352,736	\$32,562,162	\$4,469,495	\$4,301,080	\$0	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$190,367		\$190,367			\$0
(4) Other - Government of Alberta	\$247,333	\$241,533	\$3,646	\$0	\$2,154	\$0
(5) Federal Government and/or First Nations	\$287,254	\$246,360	\$26,886	\$0	\$14,006	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$238,352	\$238,352				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$780,173	\$312,864	\$98,321	\$9,877	\$81,796	\$277,514
(12) Investment Income	\$181,144	\$183,629	\$19,027		\$8,489	\$0
(13) Gifts and donations	\$8,400	\$8,400	\$0	\$0		\$0
(14) Rentals of facilities	\$0	\$0	\$0	\$0	\$0	\$0
(15) Net school generated funds	\$729,538	\$729,538			\$0	
(16) Gains on disposal of capital assets	\$8,190	\$0	\$8,190	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,385,434	\$0	\$1,385,434	\$0		\$0
(18) TOTAL REVENUES	\$45,418,920	\$34,522,638	\$6,201,367	\$4,310,957	\$106,444	\$277,514
<b>EXPENSES</b>						
(19) Certificated salaries	\$21,228,702	\$20,745,400			\$358,496	\$125,806
(20) Certificated benefits	\$2,342,707	\$2,313,986			\$24,765	\$3,956
(21) Non-certificated salaries and wages	\$7,469,065	\$4,750,668	\$1,648,619	\$280,442	\$856,568	\$132,768
(22) Non-certificated benefits	\$1,808,372	\$1,106,045	\$305,428	\$58,198	\$123,717	\$14,984
(23) SUB - TOTAL	\$32,649,846	\$28,916,099	\$1,954,047	\$338,640	\$1,163,546	\$277,514
(24) Services, contracts & supplies	\$9,595,374	\$2,933,325	\$2,519,998	\$3,639,240	\$502,811	\$0
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$729,538	\$729,538				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,385,434		\$1,385,434	\$0	\$0	\$0
(28) Unsupported	\$449,532	\$275,594	\$55,709	\$40,899	\$77,330	\$0
(29) Total Amortization	\$1,834,966	\$275,594	\$1,441,143	\$40,899	\$77,330	\$0
Interest on capital debt						
(30) Supported	\$190,367		\$190,367	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$45,000,091	\$32,854,556	\$6,105,555	\$4,018,779	\$1,743,687	\$277,514
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$418,829	\$1,668,082	\$95,812	\$292,178	(\$1,637,243)	\$0

### SCHEDULE B ALBERTA EDUCATION REVENUE 2006-2007

	TOTAL
Base Funding	\$22,771,570
Additional Funding for Differential Cost Factors	\$7,369,208
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,274,828
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AIS)	\$504,809
SuperNet Services	\$78,548
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$502,549
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$29,880
Infrastructure Maintenance Renewal (IMR)	\$978,078
Other Funding from Alberta Education (describe) 4,301,080 Trans 6,844 French Lang 3,4	\$7,843,681
Total Alberta Education Revenues	\$41,352,738

### SCHEDULE C ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$17,315,443	\$2,086,138	\$2,289,228		\$0	\$1,005,132	\$22,679,841
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$708,300	\$570,000	\$75,000		\$0		\$1,353,300
ECS Program Unit (PUF)	\$775,591	\$1,149,781	\$301,587				\$2,226,938
Severe Disabilities (Gr 1-12)	\$2,871,213	\$2,046,250	\$100,000				\$4,817,563
English as a Second Language (ESL)	\$0	\$0	\$0				\$0
French Language & Francisation	\$0	\$0	\$0				\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0				\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0				\$0
Alberta Initiative for School Improvement	\$314,918	\$1,444	\$187,531	\$0			\$502,985
Student Health Initiative	\$0	\$0	\$0				\$0
SuperNet Service			\$0				\$0
Class Size Initiative	\$1,274,828	\$0	\$0	\$0			\$1,274,828
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0				\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$0	\$0	\$0	\$0		\$0	\$0
TOTAL EXPENSES	\$23,059,385	\$5,858,713	\$2,833,328	\$0	\$0	\$1,005,132	\$32,854,598

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	9.0	18.5
ECS Program Unit (PUF)	9.9	32.9
Severe Disabilities (Gr 1-12)	28.5	58.9

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	<b>\$46,000,091</b>
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,367,009
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0
	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	<b>\$2,367,009</b>
Less: 2006/2007 Board and System Administration expenses	-\$1,743,667
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	<b>\$623,342</b>

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	<b>\$298,944</b>		
<b>Sources of School Generated Funds:</b>			
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$495,537	\$286,241	\$209,296
Student fees (Non-instructional) (Note 1)	\$267,256	\$0	\$267,256
Donations and grants to schools	\$109,185	\$0	\$109,185
Other (describe):	\$311,977	\$132,707	\$179,270
<b>Net Additions to SGF</b>	<b>\$1,183,955</b>	<b>\$418,948</b>	<b>\$765,007</b>
<b>Net SGF Available</b>	<b>\$1,054,951</b>		
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities		\$286,915	
School site beautification		\$12,805	
Field Trips		\$135,355	
Equipment		\$12,090	
Family literacy and other community resources		\$467	
Other (describe):		\$282,108	
<b>Total Uses of Net SGF (Note 2)</b>		<b>\$729,538</b>	
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	<b>\$325,413</b>		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>			
<b>Notes:</b>			
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>			
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>			
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**SUZUKI CHARTER SCHOOL SOCIETY**

Legal Name of School Jurisdiction

**7211 - 96A AVENUE, EDMONTON, ALBERTA T6B 1B5**

Mailing Address

**PHONE: (780) 468-2598 FAX: (780) 463-8630**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of **SUZUKI CHARTER SCHOOL SOCIETY** presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Derek Aschenbrenner**  
Name

**"ORIGINAL SIGNED"**  
Signature

**SUPERINTENDENT**

**Norm Diemert**  
Name

**"ORIGINAL SIGNED"**  
Signature

**SECRETARY TREASURER OR TREASURER**

**Heather Christison**  
Name

**"ORIGINAL SIGNED"**  
Signature

**22-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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**YAREMCHUK & ANNICCHIARICO LLP**  
**CHARTERED ACCOUNTANTS**



P.J. Yaremchuk, B.Comm., FCA\*  
A.J. Annicchiarico, B.Comm., CA\*  
K.K. Kozicky, CMA, CA\*  
B.J. Layetzke, B.Comm., CA\*  
R.V. Rizzo, B.Comm., CA\*  
K.A. Vansevenandt, B.Comm., CA\*  
\*Practicing as a Professional Corporation

#202, 8657 - 51 Avenue  
Edmonton, Alberta  
T6E 6A8  
Telephone: 780-468-7232  
Fax: 780-465-6120  
Email: info@ya.ca  
http://www.ya.ca

**AUDITORS' REPORT**

To the Board of Directors of **Suzuki Charter School Society**:

We have audited the statement of financial position of **Suzuki Charter School Society** as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through E is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The prior year's figures, which were provided for the purpose of comparison, were reported on by another auditor.

Edmonton, Alberta  
October 18, 2007

*Yaremchuk + Annicchiarico LLP*  
Chartered Accountants



## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$130,365	\$79,332
Accounts receivable (net after allowances)	\$170,274	\$108,578
Prepaid expenses	\$11,904	\$12,873
Other current assets	\$0	\$0
Total current assets	\$312,543	\$200,781
School generated assets	\$32,796	\$59,623
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$615,691	
Less: accumulated amortization	(\$61,794)	\$553,897
Equipment	\$177,904	
Less: accumulated amortization	(\$104,238)	\$73,666
Vehicles	\$0	
Less: accumulated amortization	\$0	\$0
Total capital assets	\$627,563	\$529,664
<b>TOTAL ASSETS</b>	<b>\$972,902</b>	<b>\$790,068</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$170,279	\$83,639
Deferred revenue	\$11,617	\$0
Deferred capital allocations	\$51,659	\$1,659
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$233,555	\$85,296
School generated liabilities	\$32,796	\$59,623
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$533,445	\$421,534
Total long term liabilities	\$566,241	\$481,157
<b>TOTAL LIABILITIES</b>	<b>\$799,796</b>	<b>\$566,455</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$58,988	\$115,483
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$58,988	\$115,483
Investment in capital assets	\$94,118	\$108,130
Capital Reserves	\$20,000	\$0
Total Capital Funds	\$114,118	\$108,130
Total net assets	\$173,106	\$223,613
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$972,902</b>	<b>\$790,068</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$1,372,603	\$1,334,489	\$1,348,214
Federal Government and/or First Nations	\$0	\$6,000	\$1,176
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$13,695	\$15,480	\$12,000
Transportation fees	\$0	\$61,198	\$0
Other sales and services	\$76,116	\$0	\$75,313
Investment income	\$0	\$0	\$49
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$45,344	\$40,788	\$36,970
Net school generated funds	\$58,148	\$119,112	\$20,895
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$23,213	\$0	\$17,545
<b>Total Revenues</b>	<b>\$1,589,119</b>	<b>\$1,577,067</b>	<b>\$1,512,162</b>
<b>EXPENSES</b>			
Certificated salaries	\$729,362	\$712,712	\$628,664
Certificated benefits	\$84,926	\$66,278	\$80,579
Non-certificated salaries and wages	\$225,237	\$216,415	\$251,082
Non-certificated benefits	\$29,812	\$36,291	\$28,397
Services, contracts and supplies	\$474,095	\$426,259	\$372,496
Net school generated funds	\$58,148	\$119,112	\$20,895
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$23,213	\$0	\$17,545
Unsupported	\$14,012	\$0	\$14,012
Total Amortization of capital assets	\$37,225	\$0	\$31,557
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$821	\$0	\$357
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$1,639,626</b>	<b>\$1,577,067</b>	<b>\$1,414,027</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$50,507)	\$0	\$98,135
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$50,507)</b>	<b>\$0</b>	<b>\$98,135</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	(\$50,507)	\$98,135
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$23,213)	(\$17,545)
Total amortization expense	\$37,225	\$31,557
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$61,698)	(\$43,030)
Prepays and other current assets	\$969	(\$7,611)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$86,640	\$20,186
Deferred revenue	\$11,617	(\$41,137)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,033	\$40,555
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	(\$135,124)	(\$28,341)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from investing activities	(\$135,124)	(\$28,341)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$185,124	\$30,000
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$185,124	\$30,000
Net sources (uses) of cash during year	\$51,033	\$42,214
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$79,332	\$37,118
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$130,365	\$79,332

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$223,613	\$108,130	\$115,483	\$0	\$0
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$223,613	\$108,130	\$115,483	\$0	\$0
Excess(def) of revenue over expenses	(\$50,507)		(\$50,507)		
Board funded capital transactions		\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$37,225)	\$37,225		
Amortization of capital allocations		\$23,213	(\$23,213)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			\$0	\$0	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$20,000)		\$20,000
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$173,106	\$94,118	\$58,988	\$0	\$20,000

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$1,659	\$421,534
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$1,659	\$421,534
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$135,124	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$50,000	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	(\$135,124)	\$135,124
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$23,213
Balance at August 31, 2007	\$51,659	\$533,445

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**SUZUKI CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**

---

**1. PURPOSE OF THE SOCIETY:**

The Society delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Society receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Society is limited on certain funding allocations and administration expenses.

The Society is incorporated under the Societies Act of the Province of Alberta and is exempt from income taxes.

**2. ACCOUNTING POLICIES:**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. Significant policies are as follows:

*Contributed services:*

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Since these services are not normally purchased by the Society and because of the difficulty of determining their value, donated services were not recognized in these financial statements.

*Revenue recognition:*

Alberta Education instruction and support, instructional fees, rental, pre-school, lunch supervision and after school fees are recognized as revenue in the year in which they relate to.

*School generated funds:*

School generated funds are funds raised in the community for school activities and are under the control and responsibility of the Board of Directors. The funds are recognized as revenue as they are spent.

*Property and equipment:*

Property and equipment is stated at cost. Amortization is provided using the straight-line method at the following annual rates:

Buildings.....	25 years
Computer equipment.....	5 years
Musical equipment .....	10 years
Stage equipment .....	10 years

# SUZUKI CHARTER SCHOOL SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2007

### 2. ACCOUNTING POLICIES (continued):

#### *Property and equipment (continued):*

Equipment having a cost in excess of \$5,000 is capitalized and purchases under \$5,000 are expensed in the year of acquisition in accordance with the recommendations of Alberta Education. Capital allocations received for capitalized asset additions are recognized as revenue over the same period as the related asset is amortized. Unamortized capital allocations represent funds spent on capital assets that have not yet been amortized.

#### *Pensions:*

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teacher Pension Plan Act, Suzuki Charter School Society does not make pension contributions for certificated Staff.

#### *Cash and cash equivalents:*

Cash and cash equivalents consist of balances with banks and short-term investments with maturities not exceeding 90 days.

#### *Use of estimates:*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 3. PROPERTY AND EQUIPMENT:

The major categories of property and equipment and related accumulated amortization are as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>	
			<u>2007</u>	<u>2006</u>
Buildings .....	\$615,961	\$61,794	\$553,897	\$437,997
Computer equipment .	55,020	55,020	-	-
Musical equipment .....	30,860	11,092	19,768	22,854
Stage equipment .....	<u>92,024</u>	<u>38,126</u>	<u>53,898</u>	<u>68,813</u>
	<u>\$793,595</u>	<u>\$166,032</u>	<u>\$627,563</u>	<u>\$529,664</u>

**SUZUKI CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**

---

**4. DEFERRED CAPITAL ALLOCATIONS:**

Deferred capital allocations represent externally restricted funds received for specific capital assets not yet acquired.

**5. UNAMORTIZED CAPITAL ALLOCATIONS:**

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the related property and equipment.

**6. INTERNALLY RESTRICTED FUNDS:**

Internally restricted funds are established at the discretion of the Board of Directors for capital purposes.

**7. COMMITMENT:**

The Society is committed to expend approximately \$430,527 for portable additions. It is anticipated that these funds will be received from Alberta Education.

**8. ECONOMIC DEPENDENCE:**

The Society's primary source of revenue is from the Alberta Government. The ability to continue viable operations is dependant on receiving this funding.

**9. LEASE COMMITMENT:**

The Society is committed to the rental of premises under a lease agreement which expires August, 2008. The minimum rent payable is \$17,864 per month.

**10. FINANCIAL INSTRUMENTS:**

The Society's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying values of the financial instruments approximate their fair values.



**SUZUKI CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**

---

**11. COMPARATIVE FIGURES:**

Certain of prior year's figures, provided for the purpose of comparison, have been reclassified in accordance with the current year's presentation.

**12. BUDGET AMOUNTS:**

The budget was prepared by the Society and approved by the Board of Directors. It is presented for information purposes only and has not been audited.

**13. REMUNERATION AND MONETARY INCENTIVES:**

The Suzuki Charter School Society had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions:

<u>Position</u>	<u>FTE</u>	<u>Remuneration</u>	<u>Benefits</u>
Superintendent (1) .....	0.4	\$ 7,775	\$ 225
Superintendent (2) .....	0.6	11,666	337
Secretary/Treasurer (1) .....	1.0	55,956	6,424
Certificated Teachers .....	11.9	709,921	84,364
Non-certificated Teachers .....	<u>4.3</u>	<u>169,281</u>	<u>23,388</u>
Totals .....	<u>18.2</u>	<u>\$954,599</u>	<u>\$114,738</u>



**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Section 276]

**SUZUKI CHARTER SCHOOL SOCIETY**

Legal Name of School Jurisdiction

**7211-96A AVE, EDMONTON, ALBERTA**

Mailing Address

**(780) 468-2598 (780) 463-8630**

Telephone and Fax Numbers

*Declaration of Secretary-Treasurer / Chief Financial Officer*

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**HEATHER CHRISTISON**

Name

**"ORIGINAL SIGNED"**

Signature

**22-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T6J 4L6  
EMAIL: [Cindy.Jerry@gov.ab.ca](mailto:Cindy.Jerry@gov.ab.ca)  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code

12

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$1,369,803	\$888,379	\$242,362	\$69,696	\$58,366	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$0		\$0			\$0
(4) Other - Government of Alberta	\$2,800	\$2,800	\$0	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$13,695	\$13,695				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$76,116		\$0	\$0	\$0	\$76,116
(12) Investment income	\$0	\$0	\$0	\$0	\$0	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$45,344	\$45,344	\$0	\$0	\$0	\$0
(15) Net school generated funds	\$58,148	\$58,148			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$23,213		\$23,213	\$0		\$0
(18) TOTAL REVENUES	\$1,589,119	\$1,119,386	\$285,575	\$69,696	\$58,366	\$76,116
<b>EXPENSES</b>						
(19) Certificated salaries	\$729,362	\$691,251			\$19,441	\$18,670
(20) Certificated benefits	\$84,926	\$81,384			\$562	\$3,000
(21) Non-certificated salaries and wages	\$225,237	\$123,535	\$40,741	\$0	\$15,215	\$45,746
(22) Non-certificated benefits	\$29,812	\$21,786	\$2,373	\$0	\$4,051	\$1,602
(23) SUB - TOTAL	\$1,069,337	\$917,936	\$43,114	\$0	\$39,269	\$69,018
(24) Services, contracts & supplies	\$474,095	\$138,433	\$235,755	\$67,354	\$22,318	\$10,235
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$58,148	\$58,148				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$23,213	\$7,062	\$16,151	\$0	\$0	\$0
(28) Unsupported	\$14,012	\$10,939	\$3,073	\$0	\$0	\$0
(29) Total Amortization	\$37,225	\$18,001	\$19,224	\$0	\$0	\$0
Interest on capital debt						
(30) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$821	\$638	\$0	\$0	\$0	\$183
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$1,639,626	\$1,133,156	\$298,093	\$67,354	\$61,587	\$79,436
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$50,507)	(\$13,790)	(\$32,518)	\$2,342	(\$3,221)	(\$3,320)

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$894,179
Additional Funding for Differential Cost Factors	\$736,725
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$32,727
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AISi)	\$20,023
SuperNet Services	\$0
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$266
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (class-size) LEASE SUPPORT	\$185,880
Total Alberta Education Revenues	\$1,389,603

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certified Remuneration	Non-certified Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$0	\$130,418	\$121,618		\$0	\$75,787	\$328,821
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$0	\$0	\$0		\$0		\$0
ECS Program Unit (PUF)	\$0	\$0	\$0		\$0		\$0
Severe Disabilities (Gr 1-12)	\$0	\$6,082	\$3,461		\$0		\$11,523
English as a Second Language (ESL)	\$0	\$0	\$0		\$0		\$0
French Language & Francisation	\$37,155	\$0	\$2,238		\$0		\$39,393
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$2,000	\$6,843	\$7,858	\$0	\$0		\$16,701
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$0		\$0		\$0
Class Size Initiative	\$32,727	\$0	\$0	\$0	\$0		\$32,727
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$790,733	\$0	\$3,258	\$0	\$0	\$0	\$793,991
<b>TOTAL EXPENSES</b>	<b>\$772,615</b>	<b>\$145,321</b>	<b>\$138,433</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75,787</b>	<b>\$1,133,156</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certified	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	0.4

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$1,639,626</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>\$ 0.0%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).</p>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$81,981</b>
Considerations for Charter Schools and Small School Boards		
If Charter School, enter \$58,366	<b>\$58,366</b>	<b>\$81,981</b>
If School Board, please enter your 2006-2007 Gr 1- 12 funded enrollment	<b>0</b>	
	<b>\$0</b>	<b>\$0</b>
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$81,981</b>
Less: 2006/2007 Board and System Administration expenses		<b>\$61,587</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$20,394</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$59,623</b>																								
<b>Sources of School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Gross SGF</th> <th style="text-align: center;">Related Expenses</th> <th style="text-align: center;">Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td style="text-align: right;">\$38,892</td> <td style="text-align: right;">\$28,612</td> <td style="text-align: right;">\$10,280</td> </tr> <tr> <td>Student fees (Non-instructional) (Note 1)</td> <td style="text-align: right;">\$21,041</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$21,041</td> </tr> <tr> <td>Donations and grants to schools</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Other (describe):</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td><b>Net Additions to SGF</b></td> <td style="text-align: right;"><b>\$59,933</b></td> <td style="text-align: right;"><b>\$28,612</b></td> <td style="text-align: right;"><b>\$31,321</b></td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$38,892	\$28,612	\$10,280	Student fees (Non-instructional) (Note 1)	\$21,041	\$0	\$21,041	Donations and grants to schools	\$0	\$0	\$0	Other (describe):	\$0	\$0	\$0	<b>Net Additions to SGF</b>	<b>\$59,933</b>	<b>\$28,612</b>	<b>\$31,321</b>	
	Gross SGF	Related Expenses	Net SGF																							
Fundraising activities	\$38,892	\$28,612	\$10,280																							
Student fees (Non-instructional) (Note 1)	\$21,041	\$0	\$21,041																							
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Other (describe):	\$0	\$0	\$0																							
<b>Net Additions to SGF</b>	<b>\$59,933</b>	<b>\$28,612</b>	<b>\$31,321</b>																							
<b>Net SGF Available</b>		<b>\$90,944</b>																								
<b>Uses of Net School Generated Funds:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Extra-curricular activities</td> <td style="text-align: right;">\$35,704</td> </tr> <tr> <td>School site beautification</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Field Trips</td> <td style="text-align: right;">\$18,970</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">\$3,312</td> </tr> <tr> <td>Family literacy and other community resources</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Other (describe): <b>BANK CHARGES</b></td> <td style="text-align: right;">\$182</td> </tr> <tr> <td><b>Total Uses of Net SGF (Note 2)</b></td> <td style="text-align: right;"><b>\$58,148</b></td> </tr> </tbody> </table>	Extra-curricular activities	\$35,704	School site beautification	\$0	Field Trips	\$18,970	Equipment	\$3,312	Family literacy and other community resources	\$0	Other (describe): <b>BANK CHARGES</b>	\$182	<b>Total Uses of Net SGF (Note 2)</b>	<b>\$58,148</b>											
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<b>Total Uses of Net SGF (Note 2)</b>	<b>\$58,148</b>																									
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$32,796</b>																								
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>																										
<b>Notes:</b>																										
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>																										
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>																										
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>																										



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Westmount Charter School Society**

Legal Name of School Jurisdiction

2519 Richmond Road SW Calgary AB T3E 4M2

Mailing Address

Phone 403/217-0426 Fax 403/249-3422

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Westmount Charter School Society presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

J. Hoad

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

M. O. Kurtz

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

M. A. O'Hara

Name

"ORIGINAL SIGNED"

Signature

21-Nov-07

Board-approved Release Date

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**LAWRENCE A. LIM**  
**Chartered Accountant**

Suite 220, 2421 - 37th Avenue N.E.  
Calgary, Alberta T2E 6Y7  
Tel: (403) 270-7550  
Fax: (403) 670-7280  
Email: [larry.lim@lhacct.com](mailto:larry.lim@lhacct.com)

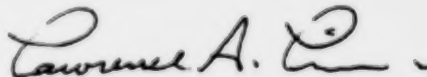
### **AUDITOR'S REPORT**

To the Members of the Board  
Westmount Charter School Society

I have audited the statement of financial position of the Westmount Charter School Society as at August 31, 2007 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.



Calgary, Alberta  
November 5, 2007

Chartered Accountant

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$1,041,022	\$260,408
Accounts receivable (net after allowances)	\$225,644	\$185,966
Prepaid expenses	\$106,939	\$122,823
Other current assets	\$0	\$0
Total current assets	\$1,373,605	\$569,197
School generated assets	\$63,996	\$59,771
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$0	
Less: accumulated amortization	\$0	\$0
Equipment	\$0	
Less: accumulated amortization	\$0	\$0
Vehicles	\$0	
Less: accumulated amortization	\$0	\$0
Total capital assets	\$0	\$0
<b>TOTAL ASSETS</b>	<b>\$1,437,601</b>	<b>\$628,968</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$487,198	\$207,831
Deferred revenue	\$278,863	\$161,875
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$766,062	\$369,706
School generated liabilities	\$63,996	\$59,771
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$0	\$0
Total long term liabilities	\$63,996	\$59,771
<b>TOTAL LIABILITIES</b>	<b>\$830,058</b>	<b>\$429,477</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$607,543	\$199,491
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$607,543	\$199,491
Investment in capital assets	\$0	\$0
Capital Reserves	\$0	\$0
Total Capital Funds	\$0	\$0
Total net assets	\$607,543	\$199,491
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,437,601</b>	<b>\$628,968</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note) approved Oct 15/06	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$7,981,014	\$7,873,711	\$7,244,370
Federal Government and/or First Nations	\$3,360	\$0	\$3,920
Other Alberta school authorities	\$24,131	\$0	\$1,500
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$246,409	\$257,742	\$204,194
Transportation fees	\$261,627	\$276,675	\$263,811
Other sales and services	\$55,068	\$0	\$48,586
Investment income	\$14,482	\$8,000	\$8,950
Gifts and donations	\$170,833	\$76,000	\$88,222
Rentals of facilities	\$3,000	\$3,000	\$3,000
Net school generated funds	\$329,838	\$106,485	\$135,826
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$9,089,762</b>	<b>\$8,601,613</b>	<b>\$8,002,379</b>
<b>EXPENSES</b>			
Certificated salaries	\$3,857,043	\$3,977,484	\$3,778,100
Certificated benefits	\$360,664	\$394,013	\$343,126
Non-certificated salaries and wages	\$687,130	\$617,422	\$637,969
Non-certificated benefits	\$96,841	\$94,809	\$91,673
Services, contracts and supplies	\$3,350,194	\$3,361,017	\$3,097,129
Net school generated funds	\$329,838	\$106,485	\$135,826
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Amortization of capital assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$8,681,710</b>	<b>\$8,551,230</b>	<b>\$8,083,823</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	\$408,052	\$50,383	(\$81,444)
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$408,052</b>	<b>\$50,383</b>	<b>(\$81,444)</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$408,052	(\$81,444)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	\$0	\$0
Total amortization expense	\$0	\$0
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$39,678)	(\$11,757)
Prepays and other current assets	\$15,684	(\$11,193)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$279,368	(\$33,422)
Deferred revenue	\$116,988	\$17,105
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$780,614	(\$120,711)
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets:		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	\$0	\$0
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$0	\$0
Net sources (uses) of cash during year	\$780,614	(\$120,711)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$260,408	\$381,119
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$1,041,022	\$260,408

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CHANGES IN NET ASSETS

for the Year Ended August 31, 2007

(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$199,491	\$0	\$199,491	\$0	\$0
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$199,491	\$0	\$199,491	\$0	\$0
Excess(def) of revenue over expenses	\$408,052		\$408,052		
Board funded capital transactions		\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		\$0	\$0		
Amortization of capital allocations		\$0	\$0		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			\$0	\$0	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$607,543	\$0	\$607,543	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$0	\$0
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$0	\$0
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	\$0	\$0
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$0
Balance at August 31, 2007	\$0	\$0

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

## **WESTMOUNT CHARTER SCHOOL SOCIETY**

### **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2007**

#### **NOTE 1 - GENERAL**

The ABC Charter Public School Society (the Society) was incorporated on August 9, 2000 under the laws of the Societies Act of Alberta. The Society's main purpose was to operate the ABC Charter Public School which had previously been operated as a division of the Action for Bright Children (Calgary Society). The Calgary Society was approved to open and operate a Charter School in Calgary which commenced operations August 1, 1996 and transferred the charter to the Society effective for the beginning of the 2000 - 2001 school year. On November 15, 2002, the Society changed its name to Westmount Charter School Society. These financial statements are presented to include the assets, liabilities and operations of Westmount Charter School Society from the commencement of operations in 1996.

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administrative expenses.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

##### **Revenue Recognition**

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

## **WESTMOUNT CHARTER SCHOOL SOCIETY**

### **NOTES TO FINANCIAL STATEMENTS - continued**

**YEAR ENDED AUGUST 31, 2007**

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Externally restricted contributions are deferred and recognized as revenue in the year in which the restriction is complied with.

##### **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The School's policy is to capitalize only those individual capital assets with a cost in excess of \$5,000 and amortize these assets over their useful lives. All other capital assets are charged to expense in the year incurred or contributed.

##### **School Generated Funds**

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

##### **Vacation Pay**

Vacation pay is accrued in the period in which the employee earns the benefit.

##### **Pensions**

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Westmount Charter School Society does not make pension contributions for certificated staff.

##### **Prepaid Expenses**

Certain expenditures incurred and paid before the close of the school year are for school supplies which will be consumed subsequent to year end, and are accordingly recorded as prepaid expenses.

##### **Contributed Services**

Volunteers contribute a considerable number of hours each year to assist the School in carrying out certain programs, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that the services are not otherwise purchased, contributed services are not recognized in the financial statements.



**WESTMOUNT CHARTER SCHOOL SOCIETY**

**NOTES TO FINANCIAL STATEMENTS - continued**

**YEAR ENDED AUGUST 31, 2007**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Financial Instruments

The Society's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Society has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Operating Reserves

Reserves are established at the discretion of the Board of Trustees to set aside funds for certain operating purposes. Such reserves are appropriations of unrestricted net assets.

Employee Future Benefits

The Society does not provide a future benefit plan to its employees and therefore no such obligations have been expensed or accrued in these financial statements.

**NOTE 3 - SHORT TERM INVESTMENTS**

Short term investments are valued at the lower of cost or market and consists of variable rate guaranteed investment certificates as follows;

	August 31	
	2007	2006
Bank of Montreal variable rate GIC maturing March 27, 2008	\$ 350,000	\$ -
Bank of Montreal variable rate GIC maturing January 11, 2008	7,000	-
Bank of Montreal variable rate GIC maturing January 12, 2007	-	7,000
	<u>\$ 357,000</u>	<u>\$ 7,000</u>

**WESTMOUNT CHARTER SCHOOL SOCIETY****NOTES TO FINANCIAL STATEMENTS - continued****YEAR ENDED AUGUST 31, 2007****NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	August 31	
	2007	2006
Alberta Education	\$ 181,759	\$ 130,924
Alberta Infrastructure and Transportation	-	7,349
GST recoverable from Federal Government	29,965	32,417
Other	<u>13,920</u>	<u>15,276</u>
	<u>\$ 225,644</u>	<u>\$ 185,966</u>

**NOTE 5 - CAPITAL ASSETS**

During the year, the Society purchased furniture and computer equipment in the amount of \$156,706 (2006 - \$113,182) which, in accordance with its capital asset policy in Note 2, has been charged to expense.

During the year, the Society received donated furniture and computer equipment with an estimated fair value of \$50,300 (2006 - \$21,482) which, in accordance with its capital asset policy in Note 2, has been charged to expense.

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable consists of the following:

	August 31	
	2007	2006
Alberta Education	\$ 91,509	\$ 5,484
Other Alberta School Jurisdictions	132,926	83,405
Other trade payables and accrued liabilities	<u>262,764</u>	<u>118,942</u>
	<u>\$ 487,199</u>	<u>\$ 207,831</u>

**WESTMOUNT CHARTER SCHOOL SOCIETY****NOTES TO FINANCIAL STATEMENTS - continued****YEAR ENDED AUGUST 31, 2007****NOTE 7 - DEFERRED REVENUE**

Deferred revenue consists of the following:

	August 31	
	2007	2006
Prepaid student fees	\$ 100,705	\$ 86,336
Small Class Size Initiative funding	100,000	-
Summerstock production surplus	44,362	32,268
Alberta Initiative for School Improvement	16,859	-
Restricted donations	14,985	7,870
LRC credits	1,952	2,475
Prepaid furniture and equipment	-	32,926
	<u>\$ 278,863</u>	<u>\$ 161,875</u>

The Society has received cash in the amount of \$14,985 (2006 - \$7,870) which has specific terms of usage and has been recorded as a restricted donation. These funds have been deferred and will be recognized as revenue when the funds are spent on their designated purpose.

**NOTE 8 - LEASE COMMITMENTS**

The Society has a proposed lease with The Calgary Board of Education for its premises which expires on July 31, 2011 and has estimated scheduled minimum rent payments of \$1,058,030 per annum.

The Society also has a lease commitment relating to various office equipment which expires on August 25, 2010 and has scheduled lease payments of \$38,987 per annum.

**NOTE 9 - SCHOOL GENERATED FUNDS**

Net SGF revenue and net SGF expense include operations from school council, who maintain a separate bank account.

**NOTE 10 - ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

Westmount Charter School Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependent on this funding.

# WESTMOUNT CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS - continued

YEAR ENDED AUGUST 31, 2007

### NOTE 11 - RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Westmount Charter School Society had related party transactions for the year ended August 31, 2007 with the Calgary Board of Education recorded on the statement of revenue and expenses and the statement of financial position, at amounts of consideration agreed upon between the related parties.

<u>2006 - 2007</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Government of Alberta Education	\$ 181,759	\$ 91,509	\$7,981,014	\$ -
Other Alberta school jurisdictions	-	132,926	-	1,569,690
total 2006 - 2007	<u>\$ 181,759</u>	<u>\$ 224,435</u>	<u>\$7,981,014</u>	<u>\$1,569,690</u>
total 2005 - 2006	<u>\$ 138,273</u>	<u>\$ 88,889</u>	<u>\$7,245,870</u>	<u>\$1,563,122</u>

### NOTE 12 - LEASING COSTS

The School moved into new premises effective August 1, 2001 and signed a 5 year lease with The Calgary Board of Education as described in note 8. The funding received from Alberta Learning for lease support is based on a similar formula as the lease, but is calculated and paid over the school year (September to August) instead of the lease year (August to July). As the lease was not signed until well into the 2001 - 2002 school year, no amount of rent from this lease for August, 2001 (\$25,935) was included in the 2000 - 2001 financial statements, and the extra month was included in the 2001 - 2002 financial statements. Due to the ongoing growth at the school, the rent charges increase each August to account for the additional space occupied by the school, while the funding increases in September, which increases the differential between the amounts paid for rent and the funding received for lease costs. The differential as at August 31, 2007 of \$88,169 (2006 - \$88,169) has not been recorded in these financial statements as this timing difference is expected to continue indefinitely.

### NOTE 13 - BUDGET AMOUNTS

The budget was prepared by the Society and approved by the Board of Trustees on October 16, 2006. It is presented for information purposes only and has not been audited.

**WESTMOUNT CHARTER SCHOOL SOCIETY**

**NOTES TO FINANCIAL STATEMENTS - continued**

**YEAR ENDED AUGUST 31, 2007**

**NOTE 14 - REMUNERATION AND MONETARY INCENTIVES**

<b>Board Members</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's Other</b>	<b>/ Expenses</b>
<i>Chairperson:</i>							
Judy Hoad	1.0						\$ 100
<i>Other Members:</i>							
Ted Regehr	0.2						\$ 544
Laurie Westwood	1.0						\$ 549
Linda Finlay	0.8						
Janneke Frank	1.0						
Alison Gray	1.0						\$ 60
Linus Hakimattar	0.8						
Margaret MacIsaac	1.0						
Alec Milne	0.2						
Michael Pyryt	1.0						
Karlyn Roberts							
Guichon	1.0						
Spencer Shepherd	1.0						\$ 60
<b>Subtotal</b>	<b>10.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,313</b>
<i>Superintendent:</i>							
Merv Kurtz	0.5	\$ 110,701	\$ 530		\$ 10,192		\$ 395
<i>Secretary-Treasurer:</i>							
Megan O'Hara	1.0	\$ 93,500	\$ 7,610				\$ 817
<i>Certificated Teachers</i>	<i>57.0</i>	<i>\$ 3,857,043</i>	<i>\$ 360,664</i>				
<i>Non-certificated</i>							
<i>Other</i>	<i>14.7</i>	<i>\$ 593,630</i>	<i>\$ 89,231</i>				
<b>TOTALS</b>		<b>\$ 4,654,874</b>	<b>\$ 458,035</b>	<b>\$ 0</b>	<b>\$ 10,192</b>	<b>\$ 0</b>	

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Westmount Charter School Society**

Legal Name of School Jurisdiction

**2519 Richmond Road SW Calgary AB T3E 4M2**

Mailing Address

**Phone 403/427-0426 Fax 403/249-3422**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Megan O'Hara**

Name

**"ORIGINAL SIGNED"**

Signature

**21-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 109

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$7,981,014	\$5,623,945	\$1,853,903	\$411,899	\$291,267	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$0		\$0			\$0
(4) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$3,360	\$3,360	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$24,131	\$24,131	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$246,409	\$246,409				
(10) Transportation fees	\$261,627			\$261,627		
(11) Other sales and services	\$55,068	\$0	\$0	\$0	\$0	\$55,068
(12) Investment income	\$14,482	\$0	\$0	\$0	\$14,482	\$0
(13) Gifts and donations	\$170,833	\$170,833	\$0	\$0		\$0
(14) Rentals of facilities	\$3,000	\$0	\$0	\$0	\$3,000	\$0
(15) Net school generated funds	\$329,838	\$329,838			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$9,089,782	\$6,398,516	\$1,853,903	\$673,526	\$308,749	\$55,068
<b>EXPENSES</b>						
(19) Certificated salaries	\$3,857,043	\$3,857,043			\$0	\$0
(20) Certificated benefits	\$360,664	\$360,664			\$0	\$0
(21) Non-certificated salaries and wages	\$687,130	\$382,229	\$55,878	\$11,343	\$212,134	\$15,548
(22) Non-certificated benefits	\$95,841	\$61,709	\$7,569	\$1,256	\$25,467	\$750
(23) SUB - TOTAL	\$5,001,678	\$4,671,735	\$63,447	\$12,599	\$237,601	\$16,298
(24) Services, contracts & supplies	\$3,350,194	\$845,191	\$1,602,941	\$660,927	\$202,363	\$38,772
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$329,838	\$329,838				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(28) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(29) Total Amortization	\$0	\$0	\$0	\$0	\$0	\$0
Interest on capital debt						
(30) Supported	\$0	\$0	\$0	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$8,681,710	\$5,846,764	\$1,666,388	\$673,526	\$439,964	\$55,068
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$408,052	\$551,752	(\$12,485)	\$0	(\$131,215)	\$0



**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$5,074,458
Additional Funding for Differential Cost Factors	\$2,532,228
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$234,244
Student Health Initiative (SHI)	\$0
Alberta Initiative for School Improvement (AIS)	\$92,772
SuperNet Services	\$8,042
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$0,578
Infrastructure Maintenance Renewal (IMR)	\$0
Other Funding from Alberta Education (separate) CTS Equipment, Science School evalua	\$34,699
Total Alberta Education Revenues	\$7,981,014

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$59,693	\$273,137	\$482,352		\$0	\$0	\$795,182
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$3,547,815	\$0	\$234,854		\$0		\$3,782,669
ECS Program Unit (PUP)	\$0	\$0	\$0		\$0		\$0
Severe Disabilities (Gr 1-12)	\$30,291	\$131,804	\$1,550		\$0		\$163,445
English as a Second Language (ESL)	\$31,316	\$0	\$0		\$0		\$31,316
French Language & Francisation	\$73,530	\$0	\$0		\$0		\$73,530
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$34,650	\$16,948	\$41,178	\$0	\$0		\$92,772
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$7,613		\$0		\$7,613
Class Size Initiative	\$218,104	\$8,943	\$7,197	\$0	\$0		\$234,244
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$222,207	\$23,399	\$151,887	\$274,885	\$0	\$0	\$665,793
TOTAL EXPENSES	\$4,217,706	\$454,029	\$908,505	\$274,885	\$0	\$0	\$5,846,704

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	49.5	0.0
ECS Program Unit (PUP)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.5	3.5

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$8,681,710
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 6%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$520,903
Considerations for Charter Schools and Small School Boards	
If Charter School, enter \$58,366	\$58,366
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	894
	\$424,483
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$520,903
Less: 2006/2007 Board and System Administration expenses	-\$439,964
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$80,939

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$58,771		
<b>Sources of School Generated Funds:</b>			
Fundraising activities	\$41,433	\$5,847	\$35,586
Student fees (Non-instructional) (Note 1)	\$271,188	\$0	\$271,188
Donations and grants to schools	\$26,797	\$218	\$26,579
Other (describe): Interest on School Council funds	\$710	\$0	\$710
<b>Net Additions to SGF</b>	\$340,128	\$6,065	\$334,063
<b>Net SGF Available</b>			\$393,834
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$219,990
School site beautification			\$0
Field Trips			\$42,910
Equipment			\$44,273
Family literacy and other community resources			\$1,571
Other (describe): Graduation, charitable donations			\$21,094
<b>Total Uses of Net SGF (Note 2)</b>			\$329,838
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>			\$63,996
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 80(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1 Excludes fees collected pursuant to Section 80(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>			

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Westwind School Division No.74**

Legal Name of School Jurisdiction

**Box 10 Cardston, AB T0K 0K0**

Mailing Address

**Tele: (403)653-4991 Fax: (403)653-4641**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

Westwind School Division No. 74

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN****Ron Fromm**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT****Douglas Bennett**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER****Dexter Durfey**

Name

**"ORIGINAL SIGNED"**

Signature

**5-Dec-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L6  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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**AUDITORS' REPORT**

To the Board of Trustees  
Westwind School Division # 74

We have audited the statement of financial position of the Westwind School Division # 74 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta

November 9, 2007

*Young Parkyn McNab LLP*

Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$2,070,645	\$4,006,897
Accounts receivable (net after allowances)	\$3,110,693	\$1,455,525
Prepaid expenses	\$174,408	\$223,261
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$5,355,746</b>	<b>\$5,685,683</b>
School generated assets	\$481,923	\$462,792
Trust assets	\$269,972	\$266,228
Long term accounts receivable	\$0	\$0
Long term investments	\$2,107,108	\$0
Capital assets		
Land	\$656,541	\$656,541
Buildings	\$47,115,274	
Less: accumulated amortization	(\$20,351,053)	\$26,764,221
Equipment	\$845,443	
Less: accumulated amortization	(\$552,846)	\$292,597
Vehicles	\$2,573,125	
Less: accumulated amortization	(\$1,400,283)	\$1,172,842
<b>Total capital assets</b>	<b>\$28,886,201</b>	<b>\$23,945,791</b>
<b>TOTAL ASSETS</b>	<b>\$37,100,950</b>	<b>\$30,360,494</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,024,567	\$1,365,969
Deferred revenue	\$759,621	\$331,884
Deferred capital allocations	\$411,016	\$1,971,020
Current portion of all long term debt	\$731,104	\$731,104
<b>Total current liabilities</b>	<b>\$3,926,308</b>	<b>\$4,399,977</b>
School generated liabilities	\$481,923	\$462,792
Trust liabilities	\$269,972	\$266,228
Employee future benefits liability	\$117,428	\$103,780
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,882,144	\$4,613,248
Less: Current portion of supported debt	(\$731,104)	(\$731,104)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$1,036,832	\$0
Unamortized capital allocations	\$21,804,143	\$16,375,705
<b>Total long term liabilities</b>	<b>\$26,861,338</b>	<b>\$21,090,649</b>
<b>TOTAL LIABILITIES</b>	<b>\$30,787,646</b>	<b>\$25,490,626</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$452,346	\$665,651
Operating Reserves	\$2,325,323	\$729,636
Accumulated Operating Surplus (Deficit)	\$2,777,669	\$1,395,287
Investment in capital assets	\$3,199,915	\$2,956,841
Capital Reserves	\$335,720	\$517,740
<b>Total Capital Funds</b>	<b>\$3,535,635</b>	<b>\$3,474,581</b>
<b>Total net assets</b>	<b>\$6,313,304</b>	<b>\$4,869,868</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$37,100,950</b>	<b>\$30,360,494</b>

Note: Input "Restated" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$31,393,769	\$31,722,977	\$29,077,412
Federal Government and/or First Nations	\$5,094,616	\$4,540,057	\$4,740,709
Other Alberta school authorities	\$21,170	\$47,200	\$92,332
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$62,763	\$64,000	\$75,196
Instruction resource fees	\$295,815	\$248,127	\$201,966
Transportation fees	\$0	\$50,000	\$0
Other sales and services	\$285,127	\$6,000	\$269,616
Investment income	\$190,969	\$125,000	\$103,364
Gifts and donations	\$337,997	\$0	\$30,921
Rentals of facilities	\$720	\$5,000	\$4,570
Net school generated funds	\$490,165	\$700,000	\$319,206
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,129,290	\$1,130,738	\$1,126,225
<b>Total Revenues</b>	<b>\$39,302,401</b>	<b>\$38,639,099</b>	<b>\$36,041,517</b>
<b>EXPENSES</b>			
Certificated salaries	\$18,438,418	\$18,116,098	\$17,612,295
Certificated benefits	\$1,921,681	\$1,880,405	\$1,846,887
Non-certificated salaries and wages	\$7,334,239	\$6,815,186	\$6,736,922
Non-certificated benefits	\$1,812,266	\$1,738,699	\$1,745,331
Services, contracts and supplies	\$5,920,754	\$5,723,857	\$5,588,118
Net school generated funds	\$490,165	\$700,000	\$319,206
Capital and debt services			
Amortization of capital assets			
Supported	\$1,129,290	\$1,130,738	\$1,126,225
Unsupported	\$333,191	\$342,184	\$314,614
Total Amortization of capital assets	\$1,462,481	\$1,472,922	\$1,440,839
Interest on capital debt			
Supported	\$469,080	\$622,035	\$545,557
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$469,080	\$622,035	\$545,557
Other interest charges	\$9,881	\$6,000	\$7,863
Losses on disposal of capital assets	\$0	\$0	\$3,087
<b>Total Expenses</b>	<b>\$37,858,965</b>	<b>\$37,075,202</b>	<b>\$35,846,105</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$1,443,436</b>	<b>\$1,563,897</b>	<b>\$195,412</b>
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,443,436</b>	<b>\$1,563,897</b>	<b>\$195,412</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,443,436	\$195,412
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,129,290)	(\$1,126,225)
Total amortization expense	\$1,462,481	\$1,440,839
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$3,087
Changes in accrued accounts:		
Accounts receivable	(\$1,655,168)	(\$53,689)
Prepays and other current assets	\$48,853	(\$165,075)
Long term accounts receivable	\$0	\$0
Long term investments	(\$2,107,108)	\$0
Payables and accrued liabilities	\$658,598	\$602,336
Deferred revenue	\$427,737	\$97,428
Employee future benefit expense (recovery)	\$13,648	(\$10,120)
Other (describe) Other long-term liabilities	\$1,036,832	\$0
Total sources (uses) of cash from Operations	\$200,019	\$983,993
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$6,040,517)	(\$1,834,705)
Equipment	(\$88,490)	(\$91,769)
Vehicles	(\$273,884)	(\$344,032)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$6,402,891)	(\$2,270,506)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$4,266,620	\$3,169,868
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$731,104)	(\$731,105)
Add back: supported portion	\$731,104	\$731,104
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$4,266,620	\$3,169,867
Net sources (uses) of cash during year	(\$1,936,252)	\$1,883,354
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$4,006,897	\$2,123,543
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$2,070,645	\$4,006,897

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$4,869,868	\$2,956,841	\$665,651	\$729,636	\$517,740
Prior period adjustments (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$4,869,868	\$2,956,841	\$665,651	\$729,636	\$517,740
Excess(def) of revenue over expenses	\$1,443,436		\$1,443,436		
Board funded capital transactions		\$576,265	(\$92,843)	(\$88,490)	(\$394,932)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,462,481)	\$1,462,481		
Amortization of capital allocations		\$1,129,290	(\$1,129,290)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$1,684,177)	\$1,684,177	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			(\$212,912)		\$212,912
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$6,313,304	\$3,199,915	\$452,346	\$2,325,323	\$335,720

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2007**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$1,971,020	\$16,375,705
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$1,971,020	\$16,375,705
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$3,940,755	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$294,445	
Interest earned on provincial government capital allocations	\$31,420	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$731,104
Expended capital allocations - current year	(\$5,826,624)	\$5,826,624
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,129,290
Balance at August 31, 2007	\$411,016	\$21,804,143

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

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**WESTWIND SCHOOL DIVISION NO. 74**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2007**

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**1. Authority and purpose**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Status of Alberta 2000, Chapter S - 3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration.

**2. Summary of significant accounting policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles with the significant accounting policies being as follows:

**Revenue recognition**

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

**Temporary investments**

Temporary Investments are valued at cost. Accrued interest on these investments is recorded as it is earned.

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight line basis over the assets' estimated useful lives using the following annual rates:

Equipment	5 years
Vehicles	10 years
Building	40 years
Building and additions	25 years

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## WESTWIND SCHOOL DIVISION NO. 74

### NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2007

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#### 2. Summary of significant accounting policies (continued)

##### Capital assets (continued) -

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

There is no amortization charged in the year of acquisition.

##### School generated funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the School Division when the accountability and control of these funds rests with School Division officials or their appointees.

##### Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Westwind School Division No. 74 does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$489,935 for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

##### Contributed services

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty in determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

##### Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

##### Measurement uncertainty

The financial statements by their nature contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

**WESTWIND SCHOOL DIVISION NO. 74**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended August 31, 2007

**3. Temporary investments**

Temporary investments consist of a 4.0% redeemable term investment with TD Canada Trust in the amount of \$1,137,099, which matures March 28, 2008, a 3.91% GIC with RBC Dominion Securities in the amount of \$41,000, which matures December 06, 2007 and cash and mutual funds held with RBC Dominion Securities in the amount of \$10,301.

**4. Accounts receivable**

	2007	2006
Alberta Education	\$ 1,585,781	\$ 305,671
Federal Government	251,836	156,434
First Nations	1,087,262	822,514
Other	185,814	170,907
	<b>\$ 3,110,693</b>	<b>\$ 1,455,526</b>

**5. Trust assets and liabilities**

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	2007	2006
Scholarship Trusts	\$ 269,972	\$ 266,228

**6. Long-term investment**

The jurisdiction, along with two other school jurisdictions, has invested in the Southern Alberta Wind Farm project for a total project cost of \$6,400,000. The provincial government has contributed \$3,200,000 towards the project, with Westwind School Division contributions totalling \$1,091,840. This investment will be repaid over 20 years including interest at 5%. The principal amount outstanding at year end is \$2,107,108.

Principal repayments in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2008	\$ 66,386	\$ 103,848	\$ 170,234
2009	69,783	100,451	170,234
2010	73,353	96,881	170,234
2011	77,106	93,128	170,234
2012	81,050	89,184	170,234
2013 to maturity	1,739,430	700,586	2,440,016

**WESTWIND SCHOOL DIVISION NO. 74**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2007**

**7. Deferred revenue**

	2007	2006
Infrastructure modernization program	\$ 457,626	\$ -
Alberta initiative for school improvement	224,439	-
Wind power	-	295,942
Video conferencing	-	35,942
Other	77,556	-
	<b>\$ 759,621</b>	<b>\$ 331,884</b>

**8. Long-term debt**

The Division has various debentures payable to Alberta Finance relating to the acquisition of capital assets bearing interest at rates ranging from 6.875% to 12.0%. Principal payments in each of the next five years are estimated as follows:

2008	\$ 731,104
2009	617,329
2010	573,901
2011	506,005
2012	459,405
2013 to maturity	994,400
	<b>\$ 3,882,144</b>

**9. Other long term liabilities**

	2007	2006
Southern Alberta Wind Farm project - government portion	\$ 1,036,832	\$ -

The Westwind School Division investment in the Southern Alberta Wind Farm project was \$2,183,680, consisting of a government grant and a divisional contribution each in the amount of \$1,091,840. The government grant will be brought into income over a 20 year period based on a rate of return of 5% on the investment. Deferred revenue will be brought into income in each of the next five fiscal years and beyond as follows:

	Total
2008	\$ 32,666
2009	34,337
2010	36,094
2011	37,941
2012	39,882
2013 to maturity	855,912

**WESTWIND SCHOOL DIVISION NO. 74**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2007**

**10. Commitments**

**Building projects**

The jurisdiction is committed to further capital expenditures for the reconfiguration of the Raymond schools of \$13,546,881. It is anticipated that these costs will be significantly funded by the capital allocations from Alberta Infrastructure and Transportation.

**Service providers**

As of January 1, 2007, the jurisdiction signed a 20 year service agreement with Enmax to receive electricity at a flat rate.

**11. Contingencies**

The jurisdiction is a member of a reciprocal insurance exchange called ALARIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

**12. Related Party Transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2006-2007				
Government of Alberta:				
Education	\$141,474	\$759,621	\$28,703,988	\$0
Infrastructure & Transportation	\$0	\$0	\$3,878,195	\$0
Finance	\$214,328	\$0	\$469,080	\$0
Health & Wellness	\$0	\$0	\$152,941	\$0
Human Resources/Employment	\$0	\$0	\$5,800	\$0
Other Gov't of Alberta Departments	\$0	\$0	\$12,527	\$0
Other:				
Health Authorities	\$0	\$0	\$0	\$0
Post-Secondary Institutions	\$0	\$0	\$0	\$0
Other Alberta School Jurisdictions	\$0	\$0	\$0	\$0
Other Related Parties	\$0	\$0	\$163,249	\$0
TOTAL 2006-2007	\$355,802	\$759,621	\$33,385,779	\$0
TOTAL 2005-2006	\$379,041	\$331,883	\$30,786,581	\$0



**WESTWIND SCHOOL DIVISION NO. 74**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2007**

**13. Economic dependence on related third party**

The Westwind School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**14. Lease commitment**

The company's total commitments, under various operating leases, are as follows

2008	\$ 33,038
2009	33,038
2010	5,506
	<b>\$ 71,582</b>

**15. Budget amounts**

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 20, 2006. It is presented for information purposes only, and has not been audited.

**16. Remuneration and monetary incentives**

The Westwind School Division No. 74 had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>BRPs / Other</b>	<b>Expenses</b>
Chair: Clark Hardy	1.0	\$7,333	\$190	\$3,667		\$5,137
Darcy Barfuss	1.0	\$6,000	\$2,266	\$3,000		\$3,592
Anna-Joyce Frank	1.0	\$6,000	\$277	\$3,000		\$8,771
Hon Fromm	1.0	\$6,000	\$277	\$3,000		\$2,527
Stephen Heggie	1.0	\$6,000	\$1,174	\$3,000		\$4,076
Lance Miller	1.0	\$6,333	\$1,852	\$3,167		\$1,659
Connie Nelson	1.0	\$6,000	\$277	\$3,000		\$4,657
Calvin Salmon	1.0	\$6,000	\$153	\$3,000		\$1,345
Peter Scott	1.0	\$6,000	\$892	\$3,000		\$3,674
<b>Subtotal</b>	<b>9.0</b>	<b>\$55,667</b>	<b>\$7,358</b>	<b>\$27,833</b>		<b>\$35,438</b>
Superintendent - Douglas Bennett	1.0	\$122,000	\$9,696	\$3,600	\$0	\$4,999
Secretary/treasurer - Dexter Durfey	1.0	\$110,000	\$19,920	\$3,600	\$0	\$3,858
Certificated Teachers	249.6	\$18,199,219	\$1,883,569	\$0	\$0	
Non-certificated - Other	307.0	\$7,250,739	\$1,828,796	\$0	\$0	
<b>TOTALS</b>		<b>\$25,737,625</b>	<b>\$3,749,339</b>	<b>\$35,033</b>	<b>\$0</b>	



**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**Westwind School Division No.74**

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Legal Name of School Jurisdiction

---

**Box 10 Cardston, AB T0K 0K0**

---

Mailing Address

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**Tele: (403)653-4991 Fax: (403)653-4641**

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Telephone and Fax Numbers***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

<b>SECRETARY TREASURER OR TREASURER</b>	
<b>Dexter Durfee</b> <small>Name</small>	<b>"ORIGINAL SIGNED"</b> <small>Signature</small>
<b>5-Dec-07</b> <small>Dated</small>	

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Jerry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$37,968,968</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>8.40%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).</p>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$2,044,783</b>
Considerations for Charter Schools and Small School Boards		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,044,783</b>
Less: 2006/2007 Board and System Administration expenses		<b>-\$1,862,256</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$182,527</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$482,792</b>
<b>Sources of School Generated Funds:</b>		
	<b>Gross SGF</b>	<b>Related Expenses</b>
Fundraising activities	\$798,267	\$397,236
Student fees (Non-instructional) (Note 1)	\$216,766	\$108,889
Donations and grants to schools	\$14,662	\$12,319
Other (describe):	\$23,689	\$26,644
<b>Net Additions to SGF</b>	<b>\$1,054,384</b>	<b>\$545,088</b>
		<b>\$509,296</b>
<b>Net SGF Available</b>		<b>\$972,088</b>
<b>Uses of Net School Generated Funds:</b>		
Extra-curricular activities		\$460,686
School site beautification		\$0
Field Trips		\$16,121
Equipment		\$0
Family literacy and other community resources		\$0
Other (describe): Scholarships / Awards / Staff Social Fund		\$13,348
<b>Total Uses of Net SGF (Note 2)</b>		<b>\$490,165</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$481,923</b>

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**Notes:**

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**WETASKIWIN REGIONAL DIVISION NO. 11**

Legal Name of School Jurisdiction

**5515 - 47A AVENUE, WETASKIWIN, ALBERTA T9A 3S3**

Mailing Address

**PHONE 780-352-6018 FAX 780-352-7886**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

WETASKIWIN REGIONAL DIVISION NO. 11

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

**Board of Trustees Responsibility**

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

**External Auditors**

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

**Declaration of Management and Board Chairman**

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN****Mr. Rob Reimer**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT****Dr. Terry Pearson**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER****Ms. Arlene Dow, CGA**

Name

**"ORIGINAL SIGNED"**

Signature

**13-Nov-07**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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MEYERS NORRIS PENN<sup>LLP</sup>

## AUDITORS' REPORT

To the Board of Trustees of

### WETASKIWIN REGIONAL DIVISION NO. 11

We have audited the statement of financial position of the **Wetaskiwin Regional Division No. 11** as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

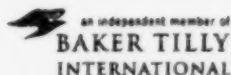
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Meyers Norris Penny LLP*

CHARTERED ACCOUNTANTS

October 23, 2007  
Leduc, Alberta



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS  
200, 5019 - 49TH AVENUE, LEDUC, AB T9E 6T5  
PH. (780) 986-2626 FAX (780) 986-2621 [www.mnp.ca](http://www.mnp.ca)

**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 56

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$30,800,357	\$23,315,849	\$3,878,195	\$1,782,400	\$1,843,913	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$489,080		\$489,080			\$0
(4) Other - Government of Alberta	\$124,332	\$0	\$5,800	\$0	\$0	\$118,532
(5) Federal Government and/or First Nations	\$5,094,616	\$5,094,616	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$21,170	\$21,170	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$62,763	\$62,763	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$295,815	\$295,815				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$285,127	\$48,362	\$209,903	\$10,011	\$16,851	\$0
(12) Investment income	\$190,969	\$118,689	\$72,280	\$0	\$0	\$0
(13) Gifts and donations	\$337,997	\$337,997	\$0	\$0		\$0
(14) Rentals of facilities	\$720	\$0	\$720	\$0	\$0	\$0
(15) Net school generated funds	\$490,165	\$490,165			\$0	
(16) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,129,290	\$0	\$1,129,290	\$0		\$0
(18) TOTAL REVENUES	\$39,302,401	\$29,785,426	\$5,765,268	\$1,772,411	\$1,860,764	\$118,532
<b>EXPENSES</b>						
(19) Certificated salaries	\$18,438,419	\$18,088,952			\$349,467	\$0
(20) Certificated benefits	\$1,921,681	\$1,879,058			\$42,623	\$0
(21) Non-certificated salaries and wages	\$7,334,239	\$4,630,759	\$1,495,555	\$603,340	\$574,090	\$30,495
(22) Non-certificated benefits	\$1,812,266	\$1,274,825	\$347,973	\$66,778	\$114,835	\$8,255
(23) SUB - TOTAL	\$29,508,605	\$25,873,394	\$1,843,528	\$670,118	\$1,080,815	\$38,750
(24) Services, contracts & supplies	\$5,920,754	\$2,697,191	\$1,955,326	\$516,396	\$713,795	\$38,046
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$490,165	\$490,165				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,129,290	\$0	\$1,129,290	\$0	\$0	\$0
(28) Unsupported	\$333,191	\$84,218	\$36,668	\$154,540	\$57,765	\$0
(29) Total Amortization	\$1,462,481	\$84,218	\$1,165,958	\$154,540	\$57,765	\$0
Interest on capital debt						
(30) Supported	\$489,080	\$0	\$489,080	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$9,881	\$0	\$0	\$0	\$9,881	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$37,858,966	\$29,144,966	\$5,433,892	\$1,341,054	\$1,862,256	\$76,796
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,443,435	\$640,458	\$331,376	\$431,357	(\$1,492)	\$41,736



**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$21,111,441
Additional Funding for Differential Cost Factors	\$7,125,689
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,176,697
Student Health Initiative (SHI)	\$152,941
Alberta Initiative for School Improvement (AISI)	\$285,353
SuperNet Services	\$90,630
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$0
Infrastructure Maintenance Renewal (IMR)	\$877,606
Other Funding from Alberta Education (describe):      Transfers to Admin	\$0
<b>Total Alberta Education Revenues</b>	<b>\$30,600,357</b>

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$1,275,984	\$677,702	\$24,067		\$0	\$2,444,960	\$4,422,393
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$62,757	\$680,669	\$58,458		\$0		\$781,684
ECS Program Unit (PUF)	\$133,572	\$500,242	\$223,111		\$0		\$856,925
Severe Disabilities (Gr 1-12)	\$0	\$2,301,348	\$48,391		\$0		\$2,349,740
English as a Second Language (ESL)	\$0	\$178,232	\$3,433		\$0		\$179,665
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$137,822	\$0		\$0		\$137,822
Alberta Initiative for School Improvement	\$113,393	\$26,248	\$125,712	\$0	\$0		\$265,353
Student Health Initiative	\$0	\$151,705	\$1,236		\$0		\$152,941
SuperNet Service			\$0		\$0		\$0
Class Size Initiative	\$0	\$0	\$0	\$0	\$0		\$0
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$18,382,823	\$1,273,415	\$2,186,119	\$0	\$0	\$0	\$19,998,245
<b>TOTAL EXPENSES</b>	<b>\$19,998,909</b>	<b>\$5,905,384</b>	<b>\$2,670,527</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,444,960</b>	<b>\$29,144,960</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	16.3
ECS Program Unit (PUF)	1.0	22.3
Severe Disabilities (Gr 1-12)	0.0	87.3

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$5,530,623	\$4,478,510
Accounts receivable (net after allowances)	\$1,492,251	\$1,487,392
Prepaid expenses	\$118,299	\$275,896
Other current assets	\$178,273	\$200,806
<b>Total current assets</b>	<b>\$7,319,446</b>	<b>\$6,442,604</b>
School generated assets	\$797,599	\$792,804
Trust assets	\$179,265	\$199,087
Long term accounts receivable	\$4,537	\$4,439
Long term investments	\$0	\$0
Capital assets		
Land	\$242,290	\$242,290
Buildings	\$57,390,938	
Less: accumulated amortization	(\$24,391,378)	\$32,999,560
Equipment	\$7,835,846	\$34,056,792
Less: accumulated amortization	(\$7,382,321)	\$580,019
Vehicles	\$436,791	
Less: accumulated amortization	(\$199,614)	\$237,177
<b>Total capital assets</b>	<b>\$33,932,552</b>	<b>\$35,121,519</b>
<b>TOTAL ASSETS</b>	<b>\$42,233,399</b>	<b>\$42,560,453</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,101,253	\$2,246,291
Deferred revenue	\$1,627,114	\$807,440
Deferred capital allocations	\$50,388	\$0
Current portion of all long term debt	\$840,805	\$922,089
<b>Total current liabilities</b>	<b>\$3,619,560</b>	<b>\$3,775,820</b>
School generated liabilities	\$797,599	\$792,804
Trust liabilities	\$179,265	\$199,087
Employee future benefits liability	\$9,800	\$5,700
Long term payables and accrued liabilities	\$21,488	\$20,593
Long term debt		
Supported: Debentures and other supported debt	\$4,989,171	\$5,903,560
Less: Current portion of supported debt	(\$833,105)	(\$914,389)
Unsupported: Debentures and Capital Loans	\$42,800	\$50,500
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$7,700)	(\$7,700)
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$26,126,625	\$26,227,062
<b>Total long term liabilities</b>	<b>\$31,325,943</b>	<b>\$32,277,237</b>
<b>TOTAL LIABILITIES</b>	<b>\$34,945,503</b>	<b>\$36,053,057</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$0	\$0
Operating Reserves	\$3,744,521	\$3,037,759
Accumulated Operating Surplus (Deficit)	\$3,744,521	\$3,037,759
Investment in capital assets	\$2,773,955	\$2,940,374
Capital Reserves	\$789,420	\$529,283
<b>Total Capital Funds</b>	<b>\$3,543,375</b>	<b>\$3,469,637</b>
<b>Total net assets</b>	<b>\$7,287,896</b>	<b>\$8,507,396</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$42,233,399</b>	<b>\$42,560,453</b>

Note: Input "Restated" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

## STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$39,018,242	\$38,844,012	\$38,821,717
Federal Government and/or First Nations	\$3,411,396	\$2,779,812	\$3,070,958
Other Alberta school authorities	\$22,712	\$16,000	\$16,322
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$442,422	\$517,790	\$503,127
Transportation fees	\$10,578	\$8,000	\$8,310
Other sales and services	\$362,152	\$204,800	\$568,550
Investment income	\$258,681	\$125,000	\$140,013
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$16,864	\$4,500	\$19,259
Net school generated funds	\$694,983	\$843,066	\$789,706
Gains on disposal of capital assets	\$33,500	\$0	\$300
Amortization of capital allocations	\$1,023,958	\$1,216,668	\$1,327,814
<b>Total Revenues</b>	<b>\$45,295,488</b>	<b>\$44,559,648</b>	<b>\$45,266,076</b>
<b>EXPENSES</b>			
Certificated salaries	\$20,635,808	\$19,854,788	\$20,512,722
Certificated benefits	\$2,326,946	\$2,707,470	\$2,366,332
Non-certificated salaries and wages	\$8,076,766	\$7,668,363	\$7,661,885
Non-certificated benefits	\$1,927,072	\$2,290,550	\$1,894,193
Services, contracts and supplies	\$9,031,278	\$9,252,495	\$8,666,073
Net school generated funds	\$694,983	\$843,066	\$789,706
Capital and debt services			
Amortization of capital assets			
Supported	\$1,023,958	\$1,216,668	\$1,327,814
Unsupported	\$243,762	\$174,799	\$226,507
Total Amortization of capital assets	\$1,267,720	\$1,391,467	\$1,554,321
Interest on capital debt			
Supported	\$544,533	\$705,817	\$642,249
Unsupported	\$4,710	\$5,000	\$5,524
Total Interest on capital debt	\$549,243	\$710,817	\$647,773
Other interest charges	\$5,172	\$0	\$5,507
Losses on disposal of capital assets	\$0	\$0	\$700
<b>Total Expenses</b>	<b>\$44,514,988</b>	<b>\$44,719,016</b>	<b>\$44,099,212</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$780,500</b>	<b>(\$159,368)</b>	<b>\$1,166,864</b>
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$780,500</b>	<b>(\$159,368)</b>	<b>\$1,166,864</b>

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$780,500	\$1,166,864
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,023,958)	(\$1,327,814)
Total amortization expense	\$1,267,720	\$1,554,320
Gains on disposal of capital assets	(\$33,500)	(\$300)
Losses on disposal of capital assets	\$0	\$701
Changes in accrued accounts:		
Accounts receivable	(\$4,859)	\$2,206,668
Prepays and other current assets	\$180,130	(\$152,127)
Long term accounts receivable	(\$98)	\$11,790
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,144,143)	\$800,535
Deferred revenue	\$1,019,674	(\$875,881)
Employee future benefit expense (recovery)	\$4,100	\$5,700
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,045,566	\$3,390,456
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$23,470)	(\$187,099)
Equipment	(\$28,531)	(\$96,112)
Vehicles	(\$26,753)	\$0
Net proceeds from disposal of capital assets	\$33,501	\$5,700
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$45,253)	(\$277,511)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$59,500	\$182,042
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$922,069)	(\$922,089)
Add back: supported portion	\$914,389	\$914,389
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$51,800	\$174,342
Net sources (uses) of cash during year	\$1,052,113	\$3,287,287
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$4,478,510	\$1,191,223
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$5,530,623	\$4,478,510

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$6,507,396	\$2,940,374	\$0	\$3,037,759	\$529,263
<u>Prior period adjustments (describe)</u>					
Balancing adjustment	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$6,507,396	\$2,940,374	\$0	\$3,037,759	\$529,263
Excess(def) of revenue over expenses	\$780,500		\$780,500		
Board funded capital transactions		\$69,643	(\$69,643)	\$0	\$0
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$1,267,720)	\$1,267,720		
Amortization of capital allocations		\$1,023,958	(\$1,023,958)		
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$7,700	(\$7,700)		
Net transfers to operating reserves			(\$745,361)	\$745,361	
Net transfers from operating reserves			\$38,599	(\$38,599)	
Net transfers to capital reserves			(\$240,157)		\$240,157
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$7,287,896	\$2,773,955	\$0	\$3,744,521	\$769,420

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$0	\$26,227,082
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$0	\$26,227,082
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$59,500	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$914,389
Expended capital allocations - current year	(\$9,112)	\$9,112
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,023,958
Balance at August 31, 2007	\$50,388	\$26,126,625

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

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**1. Authority and purpose**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

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**2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

***Revenue recognition***

The Wetaskiwin Regional Division #11 (the "Regional Division") follows the deferral method of accounting for contributions.

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

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**2. Summary of significant accounting policies (continued)**

***Cash***

Cash and cash equivalents include cash on hand balances with bank and short term deposits with original maturities of one year or less.

***Prepaid expenses***

Certain expenditures incurred before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

***Inventories***

Inventories are recorded at the lower of cost or net realizable value.

***School generated funds***

These are the funds, which come under the control and responsibility of the school principal for school activities. These funds are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

***Capital assets***

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of the contribution. Amortization is provided on a straight line basis over the assets' estimated useful lives at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

***Vacation pay***

Vacation pay is accrued in the period in which the employee earns the benefit.



**2. Summary of significant accounting policies (continued)**

***Pensions***

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wetaskiwin Regional School Division does not make pension contributions for certificated staff.

The Regional Division participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$559,765 for the year ended August 31, 2007. At December 31, 2006 the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

***Operating and capital reserves***

Reserves are established at the discretion of the Board of Trustees of the regional Division, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

***Financial instruments***

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

***Contributed services***

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

3. Accounts receivable	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 104,930	\$ 62,110
Alberta Finance	339,580	403,148
Federal Government	82,380	91,160
First Nations	713,810	536,652
Other Alberta School Jurisdictions	99,320	232,436
Other	<u>152,231</u>	<u>161,886</u>
	<u>\$ 1,492,251</u>	<u>\$ 1,487,392</u>

**4. Bank indebtedness**

The Regional Division has negotiated a line of credit in the amount of \$4,000,000 that bears interest at the bank prime rate less 0.5%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the regional Division. There was no balance outstanding on the line of credit at August 31, 2007. Subsequent to the year end the line of credit was reduced to \$1,000,000 and a second line of credit for \$300,000.

5. Accounts payable and accrued liabilities	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 63,689	\$ -
Alberta Finance	343,303	407,524
Federal Government	422	545,432
First Nations	157,101	-
Other Alberta School Jurisdictions	30,808	-
Other	<u>505,930</u>	<u>1,293,335</u>
	<u>\$ 1,101,253</u>	<u>\$ 2,246,291</u>

6. Deferred revenue	<u>2007</u>	<u>2006</u>
Infrastructure Maintenance Program (from AI&T)	\$ -	\$ 49,692
Infrastructure Maintenance Program (from Education)	1,223,828	327,773
Alberta Initiative for School Improvement	84,766	19,820
Class Size Initiative	229,380	158,750
Alberta Human Resources (Career Counselling)	25,941	26,725
Child and Family Services Authority	4,111	14,887
David Thompson Health Authority	-	766
Other	<u>59,088</u>	<u>9,027</u>
	<u>\$ 1,627,114</u>	<u>\$ 607,440</u>

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

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**7. Deferred capital allocations**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. Any unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

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**8. Trust assets and liabilities**

	<u>2007</u>	<u>2006</u>
Scholarship trusts	\$ 129,902	\$ 133,163
Deferred Salary Leave Plan	12,889	60,545
Skills Link project	<u>36,474</u>	<u>5,379</u>
	<u>\$ 179,265</u>	<u>\$ 199,087</u>

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**9. Unamortized capital allocations**

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

10. Long-term debt	<u>2007</u>	<u>2006</u>
Debentures:		
6.875% to 15.75% Alberta Capital Finance Authority		
Debentures maturing at various dates from 2008 to 2019.		
Debenture debt is authorized by Alberta Treasury		
and \$4,989,171 is fully supported. Interest paid on	\$ 5,031,971	\$ 5,954,060
long-term debt during 2006 – 2007 was \$544,533.		
Less: current portion	<u>840,805</u>	<u>922,089</u>
	<u>\$ 4,191,166</u>	<u>\$ 5,031,971</u>

Debenture and capital loan repayments required in each of the next five years and beyond are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007 - 2008	\$ 840,805	\$ 514,933	\$ 1,355,738
2008 - 2009	772,737	425,579	1,198,316
2009 - 2010	737,376	343,839	1,081,215
2010 - 2011	609,776	266,343	876,119
2011 - 2012	403,980	202,583	606,563
2012 to maturity	<u>1,667,297</u>	<u>468,083</u>	<u>2,135,380</u>
Total	<u>\$ 5,031,971</u>	<u>\$ 2,221,360</u>	<u>\$ 7,253,331</u>

The current portion of long-term debt includes \$833,105 of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

**11. SIPP**

The Regional Division is a member of the Supplemental Integrated Pension Plan. The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund.

There are ten employees who are eligible to participate in the plan, two employees are currently participating.

The current service contributions in 2007 were \$4,100 (2006 - \$2,800) and past service costs were \$nil (2006 - \$nil). The accrued benefit liability at August 31, 2007 is \$9,800 (2006 - \$5,700).

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

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**12. Commitments**

***Operating leases***

The Regional Division has entered into a number of operating leases, which have financial commitments as outlined below. These leases relate to photocopiers, financial systems hardware, facilities rental and grounds maintenance.

2007-2008	\$ 353,664
2008-2009	315,181
2009-2010	283,974
2010-2011	283,163
2011-2012	<u>283,163</u>
Total	<u>\$ 1,519,145</u>

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**13. Contingency**

The Regional Division is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the Regional Division can liquidate.

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**14. Economic dependence on related third party**

The School Regional Division received 84.1% (2006 – 82.8%) of its revenues pursuant to funding arrangements with Alberta Education. The Division's ability to continue viable operations is dependent on this funding.

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**15. Budget amounts**

The School Regional Division management prepared the budget with Board of Trustees approval given on June 26, 2006. It is presented for information purposes only and has not been audited.

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**Wetaskiwin Regional Division No. 11**  
**Notes to the Financial Statements**  
**August 31, 2007**

**16. Related Party Transactions**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in Public Sector Accounting Board Handbook Section 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions
2006-2007	Assets	Liabilities	Revenue
<b>Government of Alberta:</b>			
Education	\$104,930	\$ 1,627,603	38,089,973
Finance	339,580	5,375,274	544,532
Infrastructure & Transportation	-	-	190,938
Other departments	19,398	52,219	192,799
<b>Other:</b>			
Alberta school jurisdictions	99,320	30,808	22,712
<b>Total 2006-2007</b>	<b>\$563,228</b>	<b>\$7,085,904</b>	<b>\$39,040,954</b>
<b>Total 2005-2006</b>	<b>\$719,268</b>	<b>\$7,150,032</b>	<b>\$38,837,983</b>

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**Wetaskiwin Regional Division No. 11****Notes to the Financial Statements****August 31, 2007**

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**17. Remuneration and Monetary Incentives**

Wetaskiwin Regional Division No. 11 has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Totals</b>	<b>Expenses</b>
Mr. Rob Reimer (Chair)	1.0	16,518	4,436	20,954	5,325
Mr. Ed Zacharko	1.0	17,994	3,967	21,961	5,762
Ms. Barb Johnson	1.0	14,759	4,539	19,298	3,448
Mrs. Donna Hogg	1.0	16,874	4,470	21,344	6,567
Mrs. Cathy Ollenberger	1.0	16,535	3,849	20,384	10,836
Mr. Greg Butt	1.0	16,574	4,482	21,056	8,698
Mr. Glen Norby	1.0	14,365	3,132	17,497	4,216
<b>Subtotal</b>	<b>7.0</b>	<b>116,276</b>	<b>26,218</b>	<b>142,494</b>	<b>44,852</b>
<b>Superintendent:</b>					
Dr. Terry Pearson	1.0	127,190	22,170	149,360	18,885
<b>Secretary/Treasurer</b>					
Ms. Arlene Dow	1.0	105,890	28,410	134,300	10,522
<b>Certificated Teachers</b>	<b>295.5</b>	<b>20,508,616</b>	<b>2,304,776</b>	<b>22,813,392</b>	
<b>Non-certificated - Other</b>	<b>211.4</b>	<b>7,854,600</b>	<b>1,872,444</b>	<b>9,727,044</b>	
<b>TOTALS</b>		<b>28,709,915</b>	<b>4,256,675</b>	<b>32,966,590</b>	

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
**[School Act, Section 276]**

**WETASKIWIN REGIONAL DIVISION NO. 11**

Legal Name of School Jurisdiction

**5515 - 47A AVENUE, WETASKIWIN, ALBERTA T9A 3S3**

Mailing Address

**PHONE 780-352-6018 FAX 780-352-7886**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Ms. Arlene Dow, CGA**

Name

**"ORIGINAL SIGNED"**

Signature

**13-Nov-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
9th Floor Commerce Place, 10156-102 Street, Edmonton AB T5J 4L6  
EMAIL: [Cindy.Jerry@gov.ab.ca](mailto:Cindy.Jerry@gov.ab.ca)  
PHONE: (780) 427-7782 FAX: (780) 423-6996



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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 2115

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$38,089,973	\$29,828,815	\$4,389,414	\$2,597,321	\$1,474,323	\$0
(2) Alberta Infrastructure & Transportation	\$190,938	\$0	\$190,938			
(3) Alberta Finance	\$544,532		\$544,532			
(4) Other - Government of Alberta	\$182,799	\$153,802	\$33,497	\$0	\$0	\$5,500
(5) Federal Government and/or First Nations	\$3,411,396	\$2,515,112	\$528,359	\$0	\$125,823	\$242,302
(6) Other Alberta school authorities	\$22,712	\$0	\$0	\$22,712	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$442,422	\$442,422				
(10) Transportation fees	\$10,578			\$10,578		
(11) Other sales and services	\$382,152	\$234,028	\$72,783	\$0	\$54,264	\$1,077
(12) Investment income	\$258,881	\$129,340	\$0	\$0	\$129,341	\$0
(13) Gifts and donations	\$0	\$0	\$0	\$0		\$0
(14) Rentals of facilities	\$16,864	\$0	\$16,864	\$0	\$0	\$0
(15) Net school generated funds	\$694,983	\$694,983			\$0	
(16) Gains on disposal of capital assets	\$33,500	\$0	\$33,500	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,023,958	\$8,411	\$1,017,547	\$0		\$0
(18) TOTAL REVENUES	\$45,295,488	\$33,805,013	\$6,827,434	\$2,830,611	\$1,783,551	\$248,879
<b>EXPENSES</b>						
(19) Certificated salaries	\$20,835,808	\$20,281,576			\$354,232	\$0
(20) Certificated benefits	\$2,326,946	\$2,278,805			\$50,141	\$0
(21) Non-certificated salaries and wages	\$8,076,766	\$5,142,222	\$1,943,416	\$152,346	\$659,466	\$179,316
(22) Non-certificated benefits	\$1,927,072	\$1,286,229	\$434,369	\$27,736	\$167,760	\$10,978
(23) SUB - TOTAL	\$32,966,592	\$28,986,832	\$2,377,785	\$180,082	\$1,231,599	\$190,294
(24) Services, contracts & supplies	\$9,031,278	\$3,670,820	\$2,300,735	\$2,569,114	\$438,601	\$52,008
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$694,983	\$694,983				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,023,958	\$8,411	\$1,017,547	\$0	\$0	\$0
(28) Unsupported	\$243,762	\$140,787	\$40,077	\$3,605	\$59,293	\$0
(29) Total Amortization	\$1,267,720	\$147,198	\$1,057,624	\$3,605	\$59,293	\$0
Interest on capital debt						
(30) Supported	\$544,533	\$0	\$544,533	\$0	\$0	\$0
(31) Unsupported	\$4,710	\$0	\$4,710	\$0	\$0	\$0
(32) Other interest charges	\$5,172	\$0	\$0	\$0	\$5,172	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$44,514,988	\$33,499,833	\$6,285,387	\$2,752,801	\$1,734,865	\$242,302
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$780,500	\$305,180	\$542,047	(\$122,190)	\$48,886	\$8,577

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$18,407,969
Additional Funding for Differential Cost Factors	\$16,994,668
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,138,600
Student Health Initiative (SHI)	\$397,999
Alberta Initiative for School Improvement (AIS)	\$471,858
SuperNet Services	\$128,766
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$0
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$45,790
Infrastructure Maintenance Renewal (IMR)	\$504,323
Other Funding from Alberta Education (describe)	(\$0)
Total Alberta Education Revenues	\$38,089,673

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$1,101,284	\$701,340	\$1,881,816		\$21,753	\$0	\$3,705,273
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$1,216,048	\$354,138	\$18,880		\$0		\$1,589,074
ECS Program Unit (PUF)	\$241,238	\$333,305	\$169,813		\$0		\$744,156
Severe Disabilities (Gr 1-12)	\$2,263,490	\$2,883,255	\$390,447		\$0		\$5,537,192
English as a Second Language (ESL)	\$68,499	\$48,816	\$5,602		\$0		\$140,917
French Language & Francisation	\$492,730	\$0	\$2,022		\$0		\$494,752
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$95,395	\$130,085	\$34,782		\$0		\$320,242
Alberta Initiative for School Improvement	\$334,380	\$0	\$137,488	\$0	\$0		\$471,858
Student Health Initiative	\$0	\$395,722	\$24,030		(\$21,753)		\$397,999
SuperNet Service			\$138,863		\$0		\$139,663
Class Size Initiative	\$1,138,600	\$0	\$0	\$0	\$0		\$1,138,600
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$15,486,729	\$1,583,810	\$886,387	\$0	\$0	\$842,181	\$18,759,107
<b>TOTAL EXPENSES</b>	<b>\$22,559,381</b>	<b>\$6,428,451</b>	<b>\$3,070,820</b>	<b>\$0</b>	<b>\$0</b>	<b>\$842,181</b>	<b>\$33,499,833</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	14.2	11.5
ECS Program Unit (PUF)	2.5	9.9
Severe Disabilities (Gr 1-12)	29.5	80.1

**SCHEDULE D**  
**BOARD AND SYSTEM ADMINISTRATION**  
**2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		<b>\$44,514,988</b>
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	<b>6.00%</b>
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus .4% = maximum expense limit of 4.75%).		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		<b>\$2,225,749</b>
<b>Considerations for Charter Schools and Small School Boards</b>		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0	
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		<b>\$2,225,749</b>
Less: 2006/2007 Board and System Administration expenses		<b>-\$1,734,665</b>
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		<b>\$491,084</b>

**SCHEDULE E**  
**SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		<b>\$792,804</b>
<b>Sources of School Generated Funds:</b>		
	<b>Gross SGF</b>	<b>Related Expenses</b>
Fundraising activities	\$576,690	\$392,792
Student fees (Non-Instructional) (Note 1)	\$431,355	\$164,449
Donations and grants to schools	\$103,834	\$33,281
Other (describe):	\$2,523,865	\$73,965
<b>Net Additions to SGF</b>	<b>\$1,364,265</b>	<b>\$664,487</b>
<b>Net SGF Available</b>		<b>\$1,492,582</b>
<b>Uses of Net School Generated Funds:</b>		
Extra-curricular activities		\$182,470
School site beautification		\$326
Field Trips		\$180,182
Equipment		\$8,001
Family literacy and other community resources		\$0
Other (describe):		\$324,004
<b>Total Uses of Net SGF (Note 2)</b>		<b>\$694,983</b>
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		<b>\$797,599</b>
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>		

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Wild Rose School Division No. 66**

Legal Name of School Jurisdiction

**4912 - 43 Street, Rocky Mountain House, Alberta**

Mailing Address

**Telephone: 403-845-3376, Fax: 403-845-4287**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Wild Rose School Division No. 66 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Gerald Kujala**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**J. Greg Thomas**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Cody G. McClintock**

Name

**"ORIGINAL SIGNED"**

Signature

**19-Dec-07**

**Board-approved Release Date**

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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## AUDITORS' REPORT

To The Board of Trustees

Wild Rose School Division No. 66

We have audited the statement of financial position of the Wild Rose School Division No. 66 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Stettler, Alberta  
November 15, 2007

*Gizel Krejci Dand Peterson*  
CHARTERED ACCOUNTANTS



Gizel Krejci Dand Peterson  
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2007

(in dollars)

	2007	2006 (Note) Restated
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$11,793,075	\$5,439,677
Accounts receivable (net after allowances)	\$2,593,403	\$3,621,957
Prepaid expenses	\$324,248	\$334,240
Other current assets	\$122,375	\$123,138
Total current assets	\$14,833,101	\$9,519,012
School generated assets	\$1,063,770	\$931,968
Trust assets	\$136,590	\$283,507
Long term accounts receivable	\$91,546	\$115,144
Long term investments	\$0	\$0
Capital assets		
Land	\$2,133,651	\$2,216,966
Buildings	\$69,807,518	
Less: accumulated amortization	(\$24,948,222)	\$44,859,296
Equipment	\$6,935,556	
Less: accumulated amortization	(\$5,820,071)	\$3,315,485
Vehicles	\$6,151,863	
Less: accumulated amortization	(\$3,122,270)	\$3,029,593
Total capital assets	\$53,338,025	\$54,897,799
<b>TOTAL ASSETS</b>	<b>\$69,463,032</b>	<b>\$65,747,430</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,896,140	\$1,954,465
Deferred revenue	\$1,807,347	\$663,272
Deferred capital allocations	\$4,721,656	\$501,845
Current portion of all long term debt	\$639,115	\$660,733
Total current liabilities	\$10,064,258	\$3,780,115
School generated liabilities	\$1,063,770	\$931,968
Trust liabilities	\$136,590	\$283,507
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$4,175,073	\$4,835,806
Less: Current portion of supported debt	(\$639,115)	(\$660,733)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$39,825,065	\$41,684,429
Total long term liabilities	\$44,561,383	\$47,074,977
<b>TOTAL LIABILITIES</b>	<b>\$54,627,641</b>	<b>\$50,855,092</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$2,946,965	\$2,756,453
Operating Reserves	\$1,684,467	\$2,458,687
Accumulated Operating Surplus (Deficit)	\$4,631,432	\$5,215,140
Investment in capital assets	\$9,337,885	\$8,377,565
Capital Reserves	\$886,074	\$1,299,833
Total Capital Funds	\$10,203,959	\$9,877,198
Total net assets	\$14,835,391	\$14,892,338
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$69,463,032</b>	<b>\$65,747,430</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.



**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2007**  
(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note) Restated
<b>REVENUES</b>			
Government of Alberta	\$46,006,646	\$45,593,141	\$44,507,009
Federal Government and/or First Nations	\$153,727	\$67,976	\$141,311
Other Alberta school authorities	\$99,513	\$0	\$77,399
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$318,972	\$316,792	\$137,638
Transportation fees	\$0	\$0	\$0
Other sales and services	\$608,345	\$94,675	\$447,308
Investment income	\$389,443	\$140,000	\$283,489
Gifts and donations	\$40,062	\$17,140	\$67,817
Rentals of facilities	\$11,905	\$3,000	\$16,736
Net school generated funds	\$1,113,384	\$1,299,038	\$714,215
Gains on disposal of capital assets	\$16,858	\$0	\$1,168,826
Amortization of capital allocations	\$2,945,254	\$1,681,032	\$1,588,948
<b>Total Revenues</b>	<b>\$51,704,109</b>	<b>\$49,212,794</b>	<b>\$49,152,696</b>
<b>EXPENSES</b>			
Certificated salaries	\$23,508,702	\$23,039,949	\$21,712,477
Certificated benefits	\$2,552,371	\$2,534,394	\$2,275,797
Non-certificated salaries and wages	\$8,946,278	\$9,156,046	\$9,007,693
Non-certificated benefits	\$1,788,172	\$1,556,528	\$1,809,286
Services, contracts and supplies	\$9,269,898	\$8,368,424	\$8,996,153
Net school generated funds	\$1,113,384	\$1,299,038	\$714,215
Capital and debt services			
Amortization of capital assets			
Supported	\$2,945,254	\$1,681,032	\$1,588,948
Unsupported	\$1,217,094	\$1,153,434	\$1,178,485
Total Amortization of capital assets	<b>\$4,162,348</b>	<b>\$2,834,466</b>	<b>\$2,767,433</b>
Interest on capital debt			
Supported	\$435,605	\$507,866	\$507,866
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	<b>\$435,605</b>	<b>\$507,866</b>	<b>\$507,866</b>
Other interest charges	\$4,298	\$1,000	\$7,364
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$51,761,056</b>	<b>\$49,297,711</b>	<b>\$47,800,284</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$56,947)</b>	<b>(\$84,917)</b>	<b>\$1,352,412</b>
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$56,947)</b>	<b>(\$84,917)</b>	<b>\$1,352,412</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	(\$56,947)	\$1,352,412
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,945,254)	(\$1,588,948)
Total amortization expense	\$4,162,348	\$2,767,433
Gains on disposal of capital assets	(\$16,858)	(\$1,168,826)
Losses on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$1,028,554	\$212,671
Prepays and other current assets	\$10,755	(\$54,072)
Long term accounts receivable	\$23,598	\$24,817
Long term investments	\$0	\$0
Payables and accrued liabilities	\$943,875	(\$716,109)
Deferred revenue	\$1,144,075	\$31,463
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$4,293,946	\$860,841
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$150,000)
Buildings	(\$601,160)	(\$1,046,864)
Equipment	(\$982,385)	(\$947,949)
Vehicles	(\$1,123,603)	(\$548,967)
Net proceeds from disposal of capital assets	\$44,891	\$1,235,648
Other (describe)		\$256,035
Total sources (uses) of cash from investing activities	(\$2,662,257)	(\$1,202,097)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$4,721,709	\$864,116
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$660,733)	(\$686,397)
Add back: supported portion	\$660,733	\$686,397
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$4,721,709	\$864,116
Net sources (uses) of cash during year	\$6,353,398	\$522,860
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$5,439,877	\$4,916,817
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$11,793,075	\$5,439,677

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$16,578,802	\$9,539,745	\$2,118,557	\$2,458,687	\$2,461,813
Prior period adjustments (describe)					
Proceeds from sale of school to Deferred Capital Allocations	(\$1,162,180)			\$0	(\$1,162,180)
Funding of replacement school from Deferred capital allocation	\$0	(\$1,162,180)	\$1,162,180	\$0	\$0
Class Size Initiative (2004-2006) - moved to deferred revenue	(\$524,284)	\$0	(\$524,284)	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$14,892,338	\$8,377,565	\$2,756,453	\$2,458,687	\$1,299,633
Excess(def) of revenue over expenses	(\$56,947)		(\$56,947)		
Board funded capital transactions		\$2,205,448	(\$1,059,498)	\$0	(\$1,145,950)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$4,162,348)	\$4,162,348		
Amortization of capital allocations		\$2,945,254	(\$2,945,254)		
Disposal of unsupported capital assets	\$0	(\$28,034)	(\$16,857)		\$44,891
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			\$0	\$0	
Net transfers from operating reserves			\$774,220	(\$774,220)	
Net transfers to capital reserves			(\$667,500)		\$667,500
Net transfers from capital reserves			\$0		
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$14,835,391	\$9,337,885	\$2,946,965	\$1,684,467	\$866,074

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$0	\$40,522,249
Prior period adjustment	\$501,645	\$1,162,180
Adjusted balance, August 31, 2006	\$501,645	\$41,684,429
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$4,204,536	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$66,161	
Other capital grants and donations	\$0	
Net Proceeds on disposal of supported capital assets	\$451,012	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$660,733
Expended capital allocations - current year	(\$501,698)	\$501,698
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$76,541
Capital allocations amortized to revenue		\$2,945,254
Balance at August 31, 2007	\$4,721,656	\$39,825,065

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

**WILD ROSE SCHOOL DIVISION No. 66**  
**NOTES TO FINANCIAL STATEMENT**  
**AUGUST 31, 2007**

**1. AUTHORITY AND PURPOSE**

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Education instruction and support block areas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only capital assets with costs in excess of \$ 5000; or 10 and more items with an aggregate cost in excess of \$ 10,000; or restricted by expenditure are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

The capital asset pools of furniture, equipment and buildings are deemed fully disposed 10 years after full amortization of the costs or incremental costs. Disposal amounts are prorated over the 10 years following full amortization. For buildings, this is an adjustment for the long-term nature of the asset, and capitalization of improvements extending the useful life, without any identifiable disposal of those components previously capitalized. For furniture and equipment, this adjustment recognizes that disposal of assets will take place over time, but not be specifically identifiable.

Inventories

Inventories are recorded at the lower of cost and net realizable value.

School Generated Funds

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control of these funds rests with school jurisdiction officials or their appointee(s). These funds are usually collected and retained at the school for expenditures paid the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

### Vacation Pay

Vacation pay is recorded when earned.

### Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

### Contributed Services

Volunteers assist schools operated by the School Division in carrying out certain activities. Due to the difficulty of determining the fair value of these services and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

### Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

### Pension

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wild Rose School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$507,012 for the Year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$ 746,651,000 (2005 deficiency of \$ 863,558,000).

### Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

### Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the jurisdiction at this time.

## 3. **ACCOUNTS RECEIVABLE**

Accounts Receivable comprises of the following amounts:

	<u>2007</u>	<u>2006</u>
Due from the Provincial Government	\$2,137,545	\$ 3,097,329
Due from the Federal Government	232,569	248,691
Due from the FMSS Society (Current)	22,184	22,184
Notes Receivable: Computer Purchase Plan (Current)	37,685	37,657
Accrued Interest and Refunds	46,026	32
Accounts Receivables: General	<u>117,394</u>	<u>216,064</u>
	<u>2,593,403</u>	<u>\$ 3,621,957</u>

4. **OTHER CURRENT ASSETS**

	<u>2007</u>	<u>2006</u>
Inventories	\$ 121,850	\$ 122,613
Utility Deposits	525	525
	<u>\$ 122,375</u>	<u>\$ 123,138</u>

5. **LONG TERM ACCOUNTS RECEIVABLE**

	<u>2007</u>	<u>2006</u>
Due from the FMSS Society	84,802	106,987
Notes Receivable: Computer Purchase Plan	6,744	8,158
	<u>\$ 91,546</u>	<u>\$ 115,145</u>

The amount due from the Frank Maddock Student Services Society; relating to an agreement between the School Division and the Society, for the Society to reimburse certain construction expenditures incurred on the construction of a facility at the Frank Maddock High School. The School Division retains title to the facility. The amount owing is unsecured and non-interest bearing repayment is to be made on a monthly basis. Payments over the next 5 years are as follow:

2008	22,184
2009	22,184
2010	22,184
2011	18,250
	<u>\$ 84,802</u>

6. **BANK INDEBTEDNESS**

The School Division has entered into a revolving line of credit agreement with Alberta Treasury Branches and is authorized to borrow up to \$ 700,000 at the bank's prime rate of interest less ¼ percent.

The School Division has entered into an agreement with US Bank for VISA credit services for purchasing cards. The agreement allows an average monthly utilization of \$ 66,000. The School Division has not utilized this service.

At year-end no amounts were outstanding.

7. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 24,360	\$ 56,636
Alberta Finance	258,560	303,065
Wages Payable	334,887	300,408
Other Trade Payable and Accrued Liabilities	2,280,333	1,294,356
	<u>\$ 2,898,140</u>	<u>\$ 1,954,465</u>

8. **DEFERRED REVENUE**

Deferred revenue consists of the following unexpended grants, as qualifying expenditures are incurred these grants will be recognized as revenue:

	<u>2007</u>	<u>2006</u>
International Student Services – Advance Fees	\$ 118,720	\$ 110,710
Bell – Lease Payment	1,100	1,100
Course tuition for a Teacher	246	246
Infrastructure Maintenance and Renewal (IMR)	687,159	0
Class Size Initiative	975,183	0
Alberta Initiative for School Improvement	<u>24,939</u>	<u>26,933</u>
	<u>\$ 1,807,347</u>	<u>\$ 138,989</u>

Infrastructure Maintenance and Renewal (IMR) Grants received were in excess of expenditures made.

Alberta Initiative for School Improvement and Class Size funding Grants received, were in excess of expenditures made. Expenditure of these funds is outlined on a project basis, approved by the Board of Trustees and the Province of Alberta.

9. **DEFERRED CAPITAL ALLOCATIONS**

The School Division was advanced funding by the Province of Alberta for the modernization or replacement of school facilities. These funds are to address issues arising from School Facility Audit performed by the Ministry of Infrastructure. The grant funding and related accumulated interest earned on advances are transferred to Unamortized Capital Allocations as expenses are incurred. The unexpended funding (or funding due) and related accumulated interest, allocated by the Province of Alberta is as follows:

	<u>2007</u>	<u>2006</u>
H.W. Pickup Jr. High School	3,768,999	0
Block Modernization	501,645	501,645
Lindale School Sale	<u>451,012</u>	<u>0</u>
	<u>\$4,721,656</u>	<u>\$ 501,645</u>

10. **TRUST ASSETS AND LIABILITIES**

These balances represent cash that is held in trust by the jurisdiction for following areas:

	<u>2007</u>	<u>2006</u>
Deferred salary plan	\$ 111,968	\$ 255,585
Scholarship funds	22,034	25,048
Other trust amounts	<u>2,588</u>	<u>2,874</u>
	<u>\$ 136,590</u>	<u>\$ 283,507</u>



# 11. LONG TERM DEBT

The debenture debt bears interest at rates varying between 8 % and 12 %, and mature at various times between 2007 and 2020. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

	<u>2007</u>	<u>2006</u>
Long Term Debt	\$ 4,175,072	\$ 4,835,806
Less: Current Portion	639,115	660,733
	<u>\$ 3,535,957</u>	<u>\$ 4,175,073</u>

Debenture payments due over the next five years and beyond are as follows:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2007-2008	639,116	410,592	1,049,708
2008-2009	569,921	343,666	913,587
2009-2010	502,463	285,045	787,508
2010-2011	475,103	234,391	709,494
2011-2012	424,553	186,999	611,552
2012 to maturity	1,563,916	608,389	2,172,305
Total	<u>\$ 4,175,072</u>	<u>\$ 2,069,082</u>	<u>\$ 6,244,154</u>

# 12. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that resulted from its acquisition, construction, development or normal operations. The jurisdiction is aware of its obligation to remove hazardous materials/the entire building located near the David Thompson High School (the old teacherage). A liability, however, has not been recognized because removal costs have yet to be determined.

# 13. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principle repayments.

# 14. CONTINGENCIES

## Contingent Assets

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of the equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

# 15. COMMITMENTS

## Student Transportation Contracts

The jurisdiction is committed to 32 student transportation contracts for the operation of school buses. These are term contracts with a 90 day notice of early termination clause. The maturity dates for these contracts are grouped as follows:

Contracts with End Date:	Number of
August 31 of:	Contracts
2011	16
2012	14
Total	<u>30</u>

# 16. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Wild Rose School Division No. 66 had related party transactions for the year ended August 31, 2007 with the Red Deer College and the Red Deer Catholic Regional Division No. 39. These transactions are recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets ( @ cost or net realizable value)	Liabilities ( @ fair value)	Revenue	Expenses
2006 -2007				
Government of Alberta:				
Education	\$ 132,123	\$ 24,360	\$ 45,521,328	
Infrastructure & Transportation	1,742,737			
Finance	258,560	258,560	435,605	\$ 435,605
Health & Wellness		29,495		397,052
Other Gov't of Alberta Departments	4,125	12,089	49,713	101,451
Other:				
Post-secondary institutions	26,545			38,924
Other Alberta school jurisdictions		8,155	99,513	163,761
<b>TOTAL 2006-2007</b>	<b>\$ 2,164,090</b>	<b>\$ 332,659</b>	<b>\$ 46,106,159</b>	<b>\$ 1,136,793</b>
<b>TOTAL 2005-2006</b>	<b>\$ 3,283,590</b>	<b>\$ 401,730</b>	<b>\$ 44,584,408</b>	<b>\$ 1,104,039</b>

# 17. CASH FLOWS

Cash and temporary investments are made up of cash on hand, balances in bank accounts and term deposits with maturity dates of less than three months.

# 18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

During the year the School Division entered into transactions with related parties as follows:

The Wild Rose School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

The Alberta Teachers' Retirement Fund pension plan payments are paid by the provincial government directly to the plan on behalf of the division. The amount of these payments has not been disclosed to the division.

# 19. BUDGET AMOUNTS

The budget was prepared by the School Division management with Board of Trustee approval. It is presented for information purposes only and has not been audited.

# 20. PRIOR PERIOD ADJUSTMENT

Deferred revenue has been restated by an increase of \$524,283 to reflect a deferral of Class Size initiative grant funding which is required to be expended on a project basis as approved by the Board of Trustees and the Province of Alberta.

Unamortized capital allocations has been increased in the amount of \$1,162,180 to reflect the funding of a capital project from the sale of a previously supported school building.

Block Modernization funding in the amount of \$501,645 has been moved from Deferred Revenue to Deferred Capital Allocations to reflect the capital nature of the deferred funding.

**21.**

The Wild Rose School Division had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Mr. G. Kujala	1.0	\$16,470	\$3,497	\$0			\$10,328
Ms. V. Jorgensen	1.0	\$14,340	\$3,900	\$0			\$8,899
Mr. H. Pearson	1.0	\$9,295	\$3,497	\$0			\$5,753
Ms. D. Oscar	1.0	\$14,885	\$3,945	\$0			\$11,814
Ms. M. Fisher	1.0	\$10,660	\$3,685	\$0			\$8,140
Ms. M.J. Hofman	1.0	\$18,089	\$0	\$0			\$8,498
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
<b>Subtotal</b>	<b>6.0</b>	<b>\$83,739</b>	<b>\$18,524</b>	<b>\$0</b>			<b>\$53,431</b>
<b>Superintendent</b>	0.0	\$0	\$0	\$0	\$0	\$0	\$0
J. G. Thomas	1.0	\$137,500	\$10,644	\$0	\$0	\$0	\$16,844
<b>Secretary/Treasurer</b>	0.0	\$0	\$0	\$0	\$0	\$0	\$0
C. G. McClintock	1.0	\$117,850	\$21,548	\$0	\$0	\$0	\$7,635
	0.0	\$0	\$0	\$0	\$0	\$0	\$0
	0.0	\$0	\$0	\$0	\$0	\$0	\$0
	0.0	\$0	\$0	\$0	\$0	\$0	\$0
	0.0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Certificated Teachers</b>	<b>308.6</b>	<b>\$23,371,202</b>	<b>\$2,541,727</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Non-certificated - Other</b>	<b>268.2</b>	<b>\$8,744,689</b>	<b>\$1,728,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>TOTALS</b>		<b>\$32,454,751</b>	<b>\$4,320,772</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**  
 [School Act, Section 276]

**Wild Rose School Division No. 66**

Legal Name of School Jurisdiction

**4912 - 43 Street, Rocky Mountain House, Alberta**

Mailing Address

**Telephone: (403) 845-3376, Fax: (403) 845-4287**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

**SECRETARY TREASURER OR TREASURER**

**Cody G. McClintock**

Name

**"ORIGINAL SIGNED"**

Signature

**19-Dec-07**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
 8th Floor Commerce Place, 10100-102 Street, Edmonton AB T5J 4L6  
 EMAIL: [Cindy.Jerry@gov.ab.ca](mailto:Cindy.Jerry@gov.ab.ca)  
 PHONE: (780) 427-7782 FAX: (780) 422-6996

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**SCHEDULE A**  
**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

School Jurisdiction Code: 1325

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$45,521,328	\$34,273,486	\$5,003,761	\$4,296,472	\$1,947,609	\$0
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$435,605		\$435,605			\$0
(4) Other - Government of Alberta	\$49,713	\$23,083	\$26,630	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$153,727	\$153,727	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$99,513	\$99,513	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$318,972	\$318,972				
(10) Transportation fees	\$0			\$0		
(11) Other sales and services	\$608,345	\$293,539	\$57,895	\$1,281	\$205,851	\$49,979
(12) Investment income	\$389,443	\$207,222	\$36,932	\$35,136	\$110,153	\$0
(13) Gifts and donations	\$40,062	\$40,062	\$0	\$0		\$0
(14) Rentals of facilities	\$11,905	\$6,180	\$2,125	\$0	\$0	\$3,600
(15) Net school generated funds	\$1,113,384	\$1,113,384			\$0	
(16) Gains on disposal of capital assets	\$16,858	(\$4,328)	\$19,222	\$1,962	\$0	\$0
(17) Amortization of capital allocations	\$2,945,254	\$22,669	\$2,922,585	\$0		\$0
(18) TOTAL REVENUES	\$51,704,109	\$38,547,511	\$8,504,555	\$4,334,851	\$2,263,613	\$53,579
<b>EXPENSES</b>						
(19) Certificated salaries	\$23,508,702	\$23,211,870			\$271,185	\$25,647
(20) Certificated benefits	\$2,552,371	\$2,516,061			\$33,916	\$2,384
(21) Non-certificated salaries and wages	\$8,946,278	\$5,092,932	\$2,018,384	\$1,111,965	\$722,997	\$0
(22) Non-certificated benefits	\$1,768,172	\$1,041,921	\$440,370	\$131,549	\$154,332	\$0
(23) SUB - TOTAL	\$36,775,523	\$31,862,784	\$2,458,754	\$1,243,514	\$1,182,430	\$28,041
(24) Services, contracts & supplies	\$9,289,898	\$3,692,157	\$2,545,690	\$2,107,116	\$918,904	\$6,031
(25) Cost recoveries between programs	\$0	\$0	\$0	\$0	\$0	\$0
(26) Net school generated funds	\$1,113,384	\$1,113,384				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$2,945,254	\$22,669	\$2,922,585	\$0	\$0	\$0
(28) Unsupported	\$1,217,094	\$698,598	\$85,782	\$380,884	\$51,830	\$0
(29) Total Amortization	\$4,162,348	\$721,267	\$3,008,367	\$380,884	\$51,830	\$0
Interest on capital debt						
(30) Supported	\$435,605	\$0	\$435,605	\$0		\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$4,296	\$478	\$58	\$57	\$3,705	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$51,761,056	\$37,390,070	\$6,448,474	\$3,731,571	\$2,156,869	\$34,072
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$56,947)	(\$842,559)	\$56,081	\$603,280	\$106,744	\$19,507

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$24,598,078
Additional Funding for Differential Cost Factors	\$17,940,137
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,182,937
Student Health Initiative (SHI)	\$81,859
Alberta Initiative for School Improvement (AIS)	\$973,886
SuperNet Services	\$118,174
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$122,091
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$44,128
Infrastructure Maintenance Renewal (IMR)	\$782,060
Other Funding from Alberta Education (Other/104)	\$0
Total Alberta Education Revenue	\$45,521,328

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$22,673,887	\$3,195,681	\$3,414,109		\$0	\$1,116,678	\$30,402,427
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$0	\$0	\$0		\$0		\$0
ECS Program Unit (PUP)	\$2,890	\$351,051	\$285,543		\$0		\$639,544
Severe Disabilities (Gr 1-12)	\$1,278,405	\$2,577,438	\$209,056		\$0		\$4,064,900
English as a Second Language (ESL)	\$0	\$0	\$0		\$0		\$0
French Language & Francisation	\$0	\$0	\$0		\$0		\$0
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$0	\$85,202		\$0		\$85,202
Alberta Initiative for School Improvement	\$588,725	\$10,628	\$76,477	\$0	\$0		\$676,830
Student Health Initiative	\$0	\$0	\$0		\$0		\$0
SuperNet Service			\$0		\$0		\$0
Class Size Initiative	\$1,182,937	\$0	\$0	\$0	\$0		\$1,182,937
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$0	\$0	\$0	\$358,230	\$0	\$0	\$358,230
TOTAL EXPENSES	\$25,727,884	\$6,134,799	\$4,050,367	\$358,230	\$0	\$1,116,678	\$37,380,079

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.8	24.5
ECS Program Unit (PUP)	0.4	29.8
Severe Disabilities (Gr 1-12)	24.2	183.1

**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>		\$81,761,088
<b>STEP 1</b>		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.51%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).</p>		
<b>STEP 2</b>		
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$2,333,130
Considerations for Charter Schools and Small School Boards		
If Charter School, enter \$58,366	\$0	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	0	\$0
	\$0	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>		\$2,333,130
Less: 2006/2007 Board and System Administration expenses		-\$2,156,868
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>		\$176,261

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>		\$931,969
<b>Sources of School Generated Funds:</b>		
	<b>Gross SGF</b>	<b>Related Expenses</b>
Fundraising activities	\$981,941	\$0
Student fees (Non-instructional) (Note 1)	\$799,398	\$873,796
Donations and grants to schools	\$230,388	\$45,209
Other (describe): interest, staff funds,	\$201,090	\$48,627
<b>Net Additions to SGF</b>	\$2,212,817	\$967,632
		\$1,245,185
<b>Net SGF Available</b>		\$2,177,154
<b>Uses of Net School Generated Funds:</b>		
Extra-curricular activities		\$1,113,384
School site beautification		\$0
Field Trips		\$0
Equipment		\$0
Family literacy and other community resources		\$0
Other (describe):		\$0
<b>Total Uses of Net SGF (Note 2)</b>		\$1,113,384
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>		\$1,063,770
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>		
<b>Notes:</b>		
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>		
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>		
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>		



**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**WOLF CREEK SCHOOL DIVISION NO.72**

Legal Name of School Jurisdiction

**6000 Highway 2A, Ponoka, Alberta T4J 1P6**

Mailing Address

**Phone (403) 783-3473 Fax (403) 783-3483**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

WOLF CREEK SCHOOL DIVISION NO.72

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and the Board approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

Bob Huff

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Larry Jacobs

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Joseph Henderson

Name

"ORIGINAL SIGNED"

Signature

7-Dec-07

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 (Toll free 310-0000)

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# ROWLAND, PARKER & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

BOX 4008  
PONOKA, ALBERTA  
T4J 1R5

## AUDITORS' REPORT

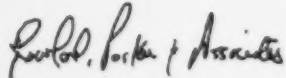
To the Board of Trustees of  
Wolf Creek School Division No. 72

We have audited the statement of financial position of the Wolf Creek School Division No. 72 as at August 31, 2007 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2007 and the result of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Ponoka, Alberta  
November 28, 2007

Signed  \_\_\_\_\_  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

as at August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$25,906,253	\$18,502,381
Accounts receivable (net after allowances)	\$2,624,048	\$1,041,306
Prepaid expenses	\$485,033	\$503,069
Other current assets	\$6,438	\$6,258
Total current assets	\$29,021,772	\$20,053,014
School generated assets	\$735,239	\$643,471
Trust assets	\$1,912,923	\$1,571,423
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$657,693	\$657,693
Buildings	\$72,574,807	
Less: accumulated amortization	(\$32,280,657)	\$40,314,150
Equipment	\$1,900,164	
Less: accumulated amortization	(\$1,506,989)	\$393,175
Vehicles	\$9,309,540	
Less: accumulated amortization	(\$5,349,162)	\$3,960,378
Total capital assets	\$45,325,398	\$40,111,773
<b>TOTAL ASSETS</b>	<b>\$76,995,330</b>	<b>\$62,379,681</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$5,411,964	\$3,046,931
Deferred revenue	\$1,598,200	\$638,335
Deferred capital allocations	\$12,692,601	\$9,099,729
Current portion of all long term debt	\$353,295	\$353,295
Total current liabilities	\$20,056,060	\$13,138,290
School generated liabilities	\$735,239	\$643,471
Trust liabilities	\$1,912,923	\$1,571,423
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$2,879,372	\$3,232,667
Less: Current portion of supported debt	(\$353,295)	(\$353,295)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$34,930,432	\$29,338,674
Total long term liabilities	\$40,104,671	\$34,433,140
<b>TOTAL LIABILITIES</b>	<b>\$60,160,731</b>	<b>\$47,571,430</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$1,062,174	\$799,894
Operating Reserves	\$7,662,290	\$5,975,749
Accumulated Operating Surplus (Deficit)	\$8,744,464	\$6,775,643
Investment in capital assets	\$7,515,582	\$7,540,237
Capital Reserves	\$574,543	\$492,370
Total Capital Funds	\$8,090,135	\$8,032,607
Total net assets	\$16,834,599	\$14,808,250
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$76,995,330</b>	<b>\$62,379,680</b>

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

**STATEMENT OF REVENUES AND EXPENSES**

for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
<b>REVENUES</b>			
Government of Alberta	\$62,958,145	\$58,592,776	\$58,722,832
Federal Government and/or First Nations	\$1,907,129	\$1,755,642	\$1,898,413
Other Alberta school authorities	\$7,322	\$0	\$22,491
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$177,024	\$165,017	\$205,605
Instruction resource fees	\$846,370	\$781,298	\$832,006
Transportation fees	\$124,528	\$156,600	\$213,907
Other sales and services	\$587,015	\$443,078	\$726,499
Investment income	\$539,297	\$119,103	\$386,000
Gifts and donations	\$212,085	\$1,500	\$27,310
Rentals of facilities	\$17,500	\$11,327	\$20,913
Net school generated funds	\$983,079	\$1,000,000	\$1,170,255
Gains on disposal of capital assets	\$6,745	\$20,000	\$235,238
Amortization of capital allocations	\$1,806,135	\$1,831,843	\$1,856,049
<b>Total Revenues</b>	<b>\$70,172,374</b>	<b>\$64,858,182</b>	<b>\$66,317,518</b>
<b>EXPENSES</b>			
Certificated salaries	\$32,290,569	\$31,326,678	\$30,168,025
Certificated benefits	\$3,325,946	\$3,556,682	\$3,110,826
Non-certificated salaries and wages	\$12,796,516	\$13,069,424	\$12,384,321
Non-certificated benefits	\$2,945,909	\$2,836,414	\$2,785,449
Services, contracts and supplies	\$12,816,377	\$10,989,396	\$11,330,850
Net school generated funds	\$983,079	\$1,000,000	\$1,170,255
Capital and debt services			
Amortization of capital assets			
Supported	\$1,806,135	\$1,812,956	\$1,856,049
Unsupported	\$867,379	\$896,242	\$847,462
<b>Total Amortization of capital assets</b>	<b>\$2,673,514</b>	<b>\$2,709,198</b>	<b>\$2,703,511</b>
Interest on capital debt			
Supported	\$307,961	\$345,481	\$345,481
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$307,961</b>	<b>\$345,481</b>	<b>\$345,481</b>
Other interest charges	\$3,719	\$100	\$295
Losses on disposal of capital assets	\$2,435	\$0	\$0
<b>Total Expenses</b>	<b>\$68,146,025</b>	<b>\$65,833,375</b>	<b>\$63,999,013</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$2,026,349</b>	<b>(\$975,193)</b>	<b>\$2,318,505</b>
Extraordinary item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$2,026,349</b>	<b>(\$975,193)</b>	<b>\$2,318,505</b>

**Note:** Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

## STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$2,026,349	\$2,318,505
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,806,135)	(\$1,856,049)
Total amortization expense	\$2,673,514	\$2,703,511
Gains on disposal of capital assets	(\$6,745)	(\$235,238)
Losses on disposal of capital assets	\$2,435	\$0
Changes in accrued accounts:		
Accounts receivable	(\$1,582,742)	\$1,202,569
Prepays and other current assets	\$17,856	(\$201,284)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$2,385,033	(\$29,715)
Deferred revenue	\$959,865	(\$108,958)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$4,649,430	\$3,793,341
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$5,575)
Buildings	(\$7,013,414)	(\$1,330,723)
Equipment	(\$186,750)	(\$47,543)
Vehicles	(\$769,141)	(\$670,474)
Net proceeds from disposal of capital assets	\$88,477	\$273,622
Other (describe)		\$0
Total sources (uses) of cash from Investing activities	(\$7,882,828)	(\$1,780,693)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$10,637,270	\$641,419
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$353,295)	(\$400,096)
Add back: supported portion	\$353,295	\$400,096
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$10,637,270	\$641,419
Net sources (uses) of cash during year	\$7,403,872	\$2,654,067
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$18,502,381	\$15,848,314
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$25,906,253	\$18,502,381

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2007**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$14,808,250	\$7,540,237	\$799,894	\$5,975,749	\$492,370
Prior period adjustments (describe):					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$14,808,250	\$7,540,237	\$799,894	\$5,975,749	\$492,370
Excess(def) of revenue over expenses	\$2,026,349		\$2,026,349		
Board funded capital transactions		\$924,907	\$0	(\$924,907)	
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$2,673,514)	\$2,673,514		
Amortization of capital allocations		\$1,806,135	(\$1,806,135)		
Disposal of unsupported capital assets	\$0	(\$82,173)	\$0		\$82,173
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$2,697,925)	\$2,697,925	
Net transfers from operating reserves			\$86,477	(\$86,477)	
Net transfers to capital reserves			\$0		
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$16,834,599	\$7,515,592	\$1,082,174	\$7,662,290	\$574,543

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2007  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$9,099,729	\$29,338,874
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$9,099,729	\$29,338,874
<b>Add:</b>		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$10,096,832	
Infrastructure & Transportation-School/Modular Project Capital *		
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$509,454	
Other capital grants and donations	\$30,984	
Net Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$353,295
Expended capital allocations - current year	(\$7,044,398)	\$7,044,398
<b>Less:</b>		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,806,135
Balance at August 31, 2007	\$12,692,601	\$34,930,432

\* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.



## WOLF CREEK SCHOOL DIVISION #72

### Notes to Financial Statements August 31, 2007

#### 1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, and Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

#### 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized below:

##### a. Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

##### b. Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis at the following rates:

Building	2.5% to 4%
Equipment and Furnishings	10% and 20%
Vehicles and buses	10% and 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements  
August 31, 2007

Summary of Significant Accounting Policies (continued...)

c. Inventories

Inventories are recorded at the lower of cost and net realizable value.

d. School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. Yearbook sales, graduation fees, field trip fees, etc.)

e. Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

f. Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g. Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wolf Creek School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$ 768,297 for the year ended August 31, 2007. At December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

## WOLF CREEK SCHOOL DIVISION #72

### Notes to Financial Statements August 31, 2007

#### h. Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

#### i. Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

#### j. Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

#### k. Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. As a result of the adoption of this accounting policy, there was no financial impact on the jurisdiction.

#### l. Investments

Short term Investments are valued at the lower of cost and market value. Long term Investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

# WOLF CREEK SCHOOL DIVISION #72

## Notes to Financial Statements August 31, 2007

### 3. Restricted Cash

Included in cash balances is unexpended capital funding grant receipts of \$12,692,601 (2006 \$9,099,729) and capital reserve funding in the amount of \$499,114 (2005 \$492,370). These funds are not available to fund current operations, as they must be expended on capital projects.

### 4. Accounts Receivable

	<u>2007</u>	<u>2006</u>
Other School Jurisdictions	3,858	23,701
Alberta Education	211,240	80,123
Alberta Finance	1,183,119	140,388
Other Province of Alberta	56,720	8,800
Federal Government	346,749	329,188
First Nations	705,821	414,122
Alberta Municipalities	-	970
Other	<u>116,541</u>	<u>44,014</u>
	<u>2,624,048</u>	<u>1,041,306</u>

### 5. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

<u>Operating Reserves</u>	<u>2006</u>	<u>Appropriated</u>	<u>Used</u>	<u>2007</u>
School	3,503,098	1,588,298	(240,025)	4,851,371
Operations and maintenance	1,726,780	528,770	(255,203)	2,000,347
Board & system administration	602,832	74,164	(110,054)	566,942
Transportation	<u>143,039</u>	<u>812,548</u>	<u>(676,957)</u>	<u>278,630</u>
	<u>5,975,749</u>	<u>3,003,780</u>	<u>(1,282,239)</u>	<u>7,697,290</u>

<u>Capital Reserves (Building, Vehicle and Equipment)</u>	<u>2006</u>	<u>Appropriated</u>	<u>Used</u>	<u>2007</u>
School	1,750	-	-	1,750
Board and System Administration	126,093	-	-	126,093
Transportation	102,184	37,435	(35,000)	104,619
Alberta Infrastructure	<u>262,343</u>	<u>44,738</u>	-	<u>307,081</u>
	<u>492,370</u>	<u>82,173</u>	<u>(35,000)</u>	<u>539,543</u>

WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements  
August 31, 2007

6. Capital Assets

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2007</u>	<u>2006</u>
Land	657,693	-	657,693	657,693
Buildings	72,574,807	32,260,657	40,314,150	35,188,221
Vehicles	9,309,540	5,349,162	3,960,378	3,973,121
Equipment	<u>1,900,164</u>	<u>1,506,989</u>	<u>393,175</u>	<u>292,738</u>
Total	<u>84,442,204</u>	<u>39,116,808</u>	<u>45,325,396</u>	<u>40,111,773</u>

7. Accounts Payable and Liabilities

		<u>2007</u>	<u>2006</u>
Alberta Learning	\$	53,204	100,214
Alberta Finance		124,314	140,388
Other Province of Alberta		1,017	1,044
Federal Government		43,748	10,086
Alberta Municipalities		35,878	35,711
Other Alberta School Jurisdictions		217,293	284,775
Other Trade payables and accrued liabilities		<u>4,936,510</u>	<u>2,474,713</u>
Total	\$	<u>5,411,964</u>	<u>3,046,931</u>

8. Deferred Revenue

		<u>2007</u>	<u>2006</u>
Infrastructure Maintenance Program	\$	1,095,024	293,162
VOIP Grant		131,774	150,000
Alberta Learning One Time Grant		22,021	22,060
Class Size Funding		126,459	63,846
Other		<u>222,922</u>	<u>109,267</u>
Total	\$	<u>1,598,200</u>	<u>638,335</u>

WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements  
August 31, 2007

9. Trust Assets and Liabilities

	<u>2007</u>	<u>2006</u>
Deferred Salary Leave Plan	\$ 177,112	92,979
Scholarship trusts	437,592	408,927
Student health initiative trust (banker board)	1,230,355	986,984
Other Trust Accounts	<u>67,864</u>	<u>82,533</u>
Total	\$ <u>1,912,923</u>	<u>1,571,423</u>

10. Long Term Debt

1. Debenture Debt - Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture principal payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007 to 2008	353,295	288,012	641,307
2008 to 2009	332,595	251,985	584,580
2009 to 2010	329,945	218,263	548,208
2010 to 2011	329,945	184,824	514,769
2011 to 2012	329,945	151,383	481,328
2012 to Maturity	<u>1,203,647</u>	<u>325,367</u>	<u>1,529,014</u>
Total	<u>2,879,372</u>	<u>1,419,834</u>	<u>4,299,206</u>

## WOLF CREEK SCHOOL DIVISION #72

### Notes to Financial Statements August 31, 2007

#### 11. Deferred Capital Allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the jurisdiction, but the related expenditure has not been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

#### 12. Unamortized Capital Allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended and fully supported debenture principal repayments.

#### 13. Contingencies

- i) The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements  
August 31, 2007

14. Commitments and Contractual Obligations

A. Leases:

The school jurisdiction has entered into various operating leases for certain equipment and real estate. Annual rentals payable under long-term lease agreements are as follows for the year ending in:

2007/2008	\$ 299,124
2008/2009	299,124
2009/2010	241,040
2010/2011	217,450
2011/2012	54,000
Subsequent	\$ 54,000

B. Contractual Obligations:

- (a) The school division has entered into contracts with various companies to provide janitorial and building climate control services. The annual cost of the contracts over their remaining terms is as follows:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2007/2008	\$ 615,225
2008/2009	389,116
2009/2010	362,830

- (b) The school division has also entered into contracts with various contractors to provide busing services for students. The annual cost of the busing contracts over the remaining terms of the contracts is as follows:

2007/2008	\$ 907,551
2008/2009	\$ 495,760
2009/2010	\$ 508,154



WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements  
August 31, 2007

Commitments and Contractual Obligations (continued...)

- (c) The Wolf Creek School Division is currently in the process of negotiating a collective agreement with the Alberta Teachers Association for the contract period commencing September 1, 2007. As at date of reporting, no formal agreement has been reached.
- (d) The school division is committed to further capital expenditures for the modernization of the Lacombe Composite High School in the amount of \$15,485,199 plus GST. It is anticipated that these costs will be fully funded by capital allocations from Alberta Education.

15. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Wolf Creek School Division had related party transactions for the year ended August 31, 2007 on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	<u>Balances</u>		<u>Transactions</u>	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
2006-2007				
Government of Alberta:				
Education	1,394,359	161,324	62,353,628	253,505
Infrastructure & Transportation	0	0	0	0
Finance	0	3,004,704	307,961	315,739
Health & Wellness	0	0	287,756	0
Human Resources/Employment	8,800	0	8,800	62
Other Gov't of Alberta Departments	47,920	0	0	0
Other				
Health authorities	0	408,285	0	53,955
Post-secondary institutions	0	846	0	5,168
Other Alberta school jurisdictions	0	217,294	7,322	163,329
Other related parties	0	0	0	0
Total 2006-2007	<u>\$1,451,079</u>	<u>\$3,792,453</u>	<u>\$62,965,467</u>	<u>\$791,758</u>
Total 2005-2006	<u>\$253,982</u>	<u>\$4,314,323</u>	<u>\$58,950,928</u>	<u>\$861,456</u>

## WOLF CREEK SCHOOL DIVISION #72

### Notes to Financial Statements August 31, 2007

#### 16. Economic Dependence on Related Party

The Wolf Creek School Division's primary source of income is derived from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

#### 17. Budget Amounts

The School jurisdiction management prepared the budget with approval granted by the Board of Trustees. It is presented for information purposes only and has not been audited.

#### 18. Remuneration and Monetary Incentives

The Wolf Creek School Division has paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

<u>Board Members</u>	<u>FTE</u>	<u>Remuneration</u>	<u>Benefits</u>	<u>Allowances</u>	<u>Performance Bonuses</u>	<u>ERIIP's Other</u>	<u>Expenses</u>
Chairperson:							
Lowry, Kelly	1.0	16,357	4,431	-			4,290
Other Members:							
Bratland, Trudy	1.0	17,485	3,480	-			8,000
Engen, Karin	1.0	17,998	4,475	-			10,450
Huff, Robert	1.0	14,781	329	-			8,047
Jess, Lorrie	1.0	17,765	3,490	-			7,147
Peterson, Donna	<u>1.0</u>	<u>17,718</u>	<u>1,409</u>	<u>-</u>			<u>9,472</u>
Subtotal	6.0	102,104	17,614	-			47,406
Superintendent:							
Jacobs, Larry	1.0	145,000	10,147	-			17,204
Secretary/Treasurer:							
Henderson, Joseph	1.0	121,000	21,190	-			11,449
Certified Salaries	452.1	32,145,569	3,315,799	-			
Non-certificated- other	376.2	<u>12,573,412</u>	<u>2,907,105</u>	<u>-</u>			
		<u>45,087,085</u>	<u>6,271,855</u>	<u>-</u>			

## UNAUDITED SCHEDULES

TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007  
[School Act, Section 276]

### Wolf Creek School Division No.72

Legal Name of School Jurisdiction

6000 Highway 2A, Ponoka, Alberta T4J 1P6

Mailing Address

Phone (403) 783-3473 Fax (403) 783-3483

Telephone and Fax Numbers

#### *Declaration of Secretary-Treasurer / Chief Financial Officer*

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

#### SECRETARY TREASURER OR TREASURER

Joe Henderson

Name

"ORIGINAL SIGNED"

Signature

7-Dec-07

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10166-102 Street, Edmonton AB T6J 4L5  
EMAIL: Cindy.Jarry@gov.ab.ca  
PHONE: (780) 427-7782 FAX: (780) 422-8996

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**SCHEDULE D  
BOARD AND SYSTEM ADMINISTRATION  
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

<b>TOTAL EXPENSES</b>	\$68,148,028
<b>STEP 1</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over	= 4%
If "Total Net Enrolled Students" are 2,000 and less	= 5%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
<b>STEP 2</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,725,841
<b>Considerations for Charter Schools and Small School Boards</b>	
If Charter School, enter \$58,306	\$0
If School Board, please enter your 2006-2007 Gr 1-12 funded enrollment	\$0
<b>2006-2007 MAXIMUM EXPENSE LIMIT</b>	\$2,725,841
Less, 2006/2007 Board and System Administration expenses	\$2,558,868
<b>2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	\$166,973

**SCHEDULE E  
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

<b>Unexpended SGF - Opening Balance August 31, 2006</b>	\$643,471		
<b>Sources of School Generated Funds:</b>			
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$771,362	\$485,228	\$286,136
Student fees (Non-instructional) (Note 1)	\$807,290	\$11,231	\$596,059
Donations and grants to schools	\$82,305	\$836	\$81,469
Other (describe):	\$135,171	\$13,988	\$121,183
<b>Net Additions to SGF</b>	\$1,596,128	\$521,281	\$1,074,847
<b>Net SGF Available</b>	\$1,718,318		
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities	\$583,192		
School site beautification	\$2,330		
Field Trips	\$253,997		
Equipment	\$7,037		
Family literacy and other community resources	\$0		
Other (describe):	\$136,523		
<b>Total Uses of Net SGF (Note 2)</b>	\$983,079		
<b>Unexpended SGF - Closing Balance August 31, 2007 (Note 3)</b>	\$735,239		
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the School Act, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p>			
<b>Notes:</b>			
<p>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</p>			
<p>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</p>			
<p>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</p>			

**SCHEDULE A**

School Jurisdiction Code: 54

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007**

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$62,353,628	\$47,511,230	\$7,523,352	\$4,865,436	\$2,365,020	\$88,590
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$307,961		\$307,961			\$0
(4) Other - Government of Alberta	\$296,556	\$287,756	\$8,800	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$1,907,129	\$1,688,320	\$218,809	\$0	\$0	\$0
(6) Other Alberta school authorities	\$7,322	\$7,322	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$177,024	\$177,024	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$846,370	\$846,370				
(10) Transportation fees	\$124,528			\$124,528		
(11) Other sales and services	\$587,015	\$489,881	\$5,000	\$14,817	\$77,317	\$0
(12) Investment income	\$539,297	\$444,297	\$89,025	\$0	\$5,975	\$0
(13) Gifts and donations	\$212,085	\$204,035	\$8,050	\$0		\$0
(14) Rentals of facilities	\$17,500	\$16,602	\$898	\$0	\$0	\$0
(15) Net school generated funds	\$963,079	\$963,079			\$0	
(16) Gains on disposal of capital assets	\$8,745	\$0	\$8,745	\$0	\$0	\$0
(17) Amortization of capital allocations	\$1,806,135	\$4,699	\$1,801,436	\$0		\$0
(18) TOTAL REVENUES	\$70,172,374	\$52,860,615	\$9,970,076	\$5,004,781	\$2,448,312	\$88,590
<b>EXPENSES</b>						
(19) Certificated salaries	\$32,290,569	\$31,689,714			\$600,855	\$0
(20) Certificated benefits	\$3,325,946	\$3,277,807			\$48,139	\$0
(21) Non-certificated salaries and wages	\$12,796,516	\$7,941,251	\$2,094,447	\$1,967,807	\$783,805	\$9,406
(22) Non-certificated benefits	\$2,945,909	\$1,958,252	\$503,021	\$314,939	\$167,212	\$2,485
(23) SUB - TOTAL	\$51,358,940	\$44,867,024	\$2,597,468	\$2,282,746	\$1,599,811	\$11,691
(24) Services, contracts & supplies	\$12,816,377	\$5,074,911	\$4,785,224	\$1,098,369	\$881,174	\$76,699
(25) Cost recoveries between programs	\$0	\$142,100	(\$50,783)	(\$91,317)	\$0	\$0
(26) Net school generated funds	\$963,079	\$963,079				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,806,135	\$4,699	\$1,801,436	\$0	\$0	\$0
(28) Unsupported	\$867,379	\$50,923	\$51,000	\$691,292	\$74,164	\$0
(29) Total Amortization	\$2,673,514	\$55,622	\$1,852,436	\$691,292	\$74,164	\$0
Interest on capital debt						
(30) Supported	\$307,961	\$0	\$307,961	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$3,719	\$0	\$0	\$0	\$3,719	\$0
(33) Losses on disposal of capital assets	\$2,435	\$0	\$0	\$2,435	\$0	\$0
(34) TOTAL EXPENSES	\$68,146,025	\$51,122,736	\$9,492,306	\$4,883,525	\$2,558,868	\$88,590
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,026,349	\$1,537,879	\$477,770	\$121,256	(\$110,556)	\$0

**SCHEDULE B**  
**ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$37,656,304
Additional Funding for Differential Cost Factors	\$18,706,140
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$2,329,138
Student Health Initiative (SHI)	\$255,584
Alberta Initiative for School Improvement (AISi)	\$940,224
SuperNet Services	\$199,388
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$365,671
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$78,020
Infrastructure Maintenance Renewal (IMR)	\$1,790,265
Other Funding from Alberta Education (describe): French	\$32,896
Total Alberta Education Revenues	\$62,353,628

**SCHEDULE C**  
**ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$3,071,412	\$3,042,712	\$1,354,454		\$0	\$0	\$8,068,578
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$2,015,748	\$742,851	\$26,239		\$0		\$2,784,838
ECS Program Unit (PUF)	\$90,269	\$616,045	\$156,279		\$0		\$862,593
Severe Disabilities (Gr 1-12)	\$1,988,237	\$3,288,789	\$138,344		\$0		\$5,395,370
English as a Second Language (ESL)	\$81,700	\$49,811	\$1,171		\$0		\$132,682
French Language & Francisation	\$0	\$0	\$7,033		\$0		\$7,033
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$0	\$0		\$0		\$0
First Nations, Metis and Inuit Education	\$0	\$116,472	\$0		\$0		\$116,472
Alberta Initiative for School Improvement	\$935,036	\$0	\$119,784	\$7,803	\$0		\$1,062,623
Student Health Initiative	\$0	\$187,000	\$0		\$0		\$187,000
SuperNet Service			\$210,307		\$0		\$210,307
Class Size Initiative	\$2,329,138	\$0	\$0	\$0	\$0		\$2,329,138
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$24,475,981	\$1,275,723	\$2,631,670	\$421,847	\$142,100	\$1,038,701	\$29,886,022
<b>TOTAL EXPENSES</b>	<b>\$34,987,521</b>	<b>\$9,899,503</b>	<b>\$4,845,281</b>	<b>\$429,650</b>	<b>\$142,100</b>	<b>\$1,038,701</b>	<b>\$51,122,756</b>

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE	FTE
	Certificated	Non-certificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	24.7	21.2
ECS Program Unit (PUF)	1.0	17.8
Severe Disabilities (Gr 1-12)	24.1	94.0







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